

Reagan Is Adamant Thatcher Bars Final EC Pact

By Lou Cannon
Washington Post Service
WASHINGTON — President Ronald Reagan said Tuesday that he would proceed with his plan to send 11 Kuwaiti tankers through the Gulf under U.S. flags and with U.S. naval protection despite strong objections to his policy from Democratic congressional leaders. The White House spokesman said.

A vessel flying the Kuwaiti flag is hit by a missile from an Iranian gunboat. Page 2.

Marlin Fitzwater, said the reflagged Kuwaiti ships would be able to proceed through the Gulf by mid-July. Admiral William J. Crowe Jr., chairman of the Joint Chiefs of Staff, said the U.S. Navy is capable of protecting the tankers, but he did not discount the possibility of an Iranian attack. Fifteen congressional leaders met for nearly an hour Tuesday with Mr. Reagan and high-ranking members of his cabinet. Mr. Fitzwater acknowledged afterward that no one in the congressional group had spoken up in support of the reflagging operation, although he said several members of the group had expressed support for the necessity of a continuing U.S. presence in the Gulf.

Defense Secretary Caspar W. Weinberger said Democratic leaders had counseled delay but Mr. Reagan had rejected their advice. The Senate majority leader,

Robert C. Byrd, Democrat of West Virginia, and the speaker of the House of Representatives, James C. Wright, Democrat of Texas, said after the meeting that Democrats, despite their objections, would not attempt to block the operation with legislation.

But on Capitol Hill, the Senate Foreign Relations Committee approved legislation on a 11-8 vote Tuesday to halt the operation. The Associated Press reported from Washington.

[The bill faces an uncertain fate on the Senate floor, however. Senator Jesse Helms, Republican of North Carolina, said he would "do all I can" to prevent it from being passed, and Mr. Byrd said he would oppose it.

Meanwhile, Mr. Weinberger said Tuesday that Arab nations on the Gulf had agreed to provide more logistical support for U.S. naval forces escorting Kuwaiti tankers. Neither he nor other Pentagon officials would specify what the new assistance involved.]

Mr. Weinberger and the director of central intelligence, William H. Webster, appeared to differ on the risk posed to the Kuwaiti tanker convoys by Iran.

"It is not a risk-free operation, and it has not been presented as such," Mr. Weinberger said. "But the risks of not doing it, I think, are a lot higher."

Mr. Webster, after first declining to comment, said he believed there

Says Agreement Fails to Impose Spending Limits

By Peter Maass
International Herald Tribune
BRUSSELS — Prime Minister Margaret Thatcher of Britain blocked an agreement Tuesday among leaders of the European Community who were trying to outline a plan of action for reforming EC finances.

At the end of a heated two-day summit meeting of 12 heads of government, as well as President Francois Mitterrand of France, Mrs. Thatcher expressed reservations in a dramatic, last-minute statement. She said the proposal would not ensure the kind of limits on spending that she believes are necessary to reduce the EC's chronic deficit.

"This is a great pity, but it's not necessarily disastrous," she said. "I still hope that 1987 will go down as the year in which the community put itself on sound financial footing."

Jacques Delors, president of the EC Commission, said he felt that, despite the failure, negotiations were "moving in the right direction."

EC diplomats said the proposed outline, which was to serve as a takeoff point for further talks on financial reform, endorsed the concept of raising member-state contributions to the depleted EC coffers and increasing development aid to the community's poorer regions.

Despite the British veto, officials remained hopeful that an acceptable financial-reform program could be worked out before the next EC summit meeting in Copenhagen in December. Nonetheless, the British veto represented a major clash between Mrs. Thatcher and her EC partners.

She said that her government would not approve the plan of action until the community was "ready, willing and able to install foolproof methods to control spending." She called, for example, for commodity-by-commodity controls on farm subsidies, which account for much of the EC budget.

The EC's expected deficit for 1987 is 5.4 billion European currency units (\$6.2 billion), out of a total budget of 36 billion ECU.

Diplomats said Mrs. Thatcher had an unusually sharp exchange with Prime Minister Jacques Chirac of France, who reportedly accused her of failing to adequately support the goals of the EC. Mrs. Thatcher is said to have responded that the community was not spending its resources wisely.

Mrs. Thatcher made an ambiguous good-will gesture by saying that she would lift her veto of the Framework Program, a five-year technological research effort. However, she said the program should be scaled down to 5.2 billion ECU from the proposed 5.6 billion ECU.

Although the summit meeting failed on the key issues of whether to raise member-state contribu-



The police, out of riot uniforms, began cleaning the campus of Korea University in Seoul on Tuesday as calm returned.

Belgrade Seeks Delay on Loan Payments

Brazil Says Payments of Debt Possible

By Juan de Onis
Special to the Herald Tribune

RIO DE JANEIRO — Finance Minister Luiz Carlos Bresser Pereira told the Brazilian congress on Tuesday that exports have rebounded to around \$1 billion a month, making it possible for Brazil to restore foreign debt repayments that were suspended in February.

A drop in export earnings had been one of the most pressing reasons cited by Brazil in its decision to suspend interest payments on more than \$68 billion in debt owed to commercial banks and to freeze short-term credits.

The finance minister's statement was another indication of Brazil's readiness to move to bridge its long estrangement with commercial bankers and international lending agencies.

Mr. Bresser Pereira was careful to protect his negotiating position, cautioning that creditors must be willing to compromise on at least five points, including refinancing of payments and interest levels.

"Brazil can pay its foreign debt if the creditors are willing to accept terms that don't keep our economy from growing at 6 or 7 percent a year," he said.

The comments came before the Chamber of Deputies, where he defended a stabilization plan, announced June 12, designed to slow record-breaking inflation and avoid a recession.

The program included a freeze on wages and prices.

Inflation in May was estimated



Carlos Bresser Pereira

at least 25 percent, the equivalent of 1,355 percent a year.

Mr. Bresser Pereira said a trade surplus of more than \$1 billion was expected for June, after a surplus of \$930 million in May.

In December and January the surplus shrank to less than \$130 million a month.

Until last September, Brazil's monthly trade surplus was averaging around \$1 billion. But low commodity prices, a bad coffee crop and a surge in imports combined to cripple export earnings.

The surge in exports, which Mr. Bresser Pereira estimated would reach \$22.8 billion this year, has been stimulated by his policies, he said, including two devaluations since early May of the cruzado, Brazil's currency, of 7.5 percent and 9.5 percent.

Mr. Bresser Pereira became fi-

\$240 Million Short in July

REUTERS
BELGRADE — Yugoslavia, burdened with a \$20 billion foreign debt and soaring inflation, has told commercial creditors it cannot repay \$240 million of debt due by July 15, a senior central bank official said Tuesday.

Vice governor of the National Bank, Boris Konte, said that his country could not immediately make principal payments due to commercial banks by July 15, including \$91.6 million due Tuesday.

[However, sources in Belgrade said that the country received a loan late Tuesday from the Bank for International Settlements to cover its immediate payment, the Associated Press reported.]

Banking sources said Yugoslavia has been negotiating to get a \$300 million loan from the BIS by July 14. The BIS, based in Basel, Switzerland, acts as a central bank for the world's major central banks and will provide such short-term finance if repayment is guaranteed by its members.

Banking sources said that the country asked for a three-month extension on the July debt repayments.

Western diplomats said the late payment is another indication of how severe the country's economic problems have become. It was the first time since it began rescheduling its foreign debt repayments in 1983 that Yugoslavia has failed to meet the new payment schedule.

Mr. Konte attributed the delay to seasonal factors. "Yugoslavia has an outflow of money in the first six months of the year and an inflow in the second half due to tourism," he said.

He said Yugoslavia hoped to meet outstanding payments by the end of July.

"We will pay everything we

Chun Said To Accept Reforms

Korean President To Announce Approval on TV

By Lena H. Sun
Washington Post Service

SEOUL — President Chun Doo Hwan on Wednesday morning was reported to be preparing to tell South Koreans on television that he had approved virtually all opposition demands in an effort to end the most serious political crisis to face his government in seven years.

Roh Tae Woo, leader of the ruling party, who on Monday proposed the sweeping package of democratic revisions, said Tuesday after talks with Mr. Chun that the president had accepted them.

"President Chun said in principle he will accommodate everything I proposed," said Mr. Roh, chairman of the Democratic Justice Party and Mr. Chun's chosen successor, "but in view of the gravity of the matter he will listen to the views of the cabinet and other top officials."

Mr. Roh stunned government officials and opposition members by publicly urging Mr. Chun on Monday to agree to virtually all opposition demands.

Government officials said the president would announce his decision in a nationwide radio and television address at 10 A.M. Wednesday.

This would include, they said, his agreement to direct presidential elections and several other steps including release of political prisoners and restoration of the political rights of Kim Dae Jung, a dissident leader.

Together, the measures constitute a dramatic reversal of longstanding government policies and have generated optimism that South Korea might be on the way to establishing democracy.

Mr. Chun has been under extreme pressure to find a peaceful, lasting solution to street protests that began on June 10. For the first time, opposition protests drew broad support from the middle class.

The announcement Wednesday is regarded largely as a formality. Since they were announced

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Bork Appears to Lead List of Court Candidates

Compiled in the Staff From Dispatches

WASHINGTON — Amid growing indications that President Ronald Reagan was moving toward naming Robert H. Bork, a conservative federal judge, to the Supreme Court, White House officials said Tuesday that Bork was the top choice of Attorney General Meese and top court officials to replace Justice Powell Jr.

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Revival by Ultra-Orthodox Challenges Israel

Thomas L. Friedman
New York Times Service
K. Israel — Until six months ago, had the hottest newsstand battle — before the bombing. Now selling felfel sandwiches, lots of newspapers — lots, lots, looking over his shoulder. "I'd better if I didn't," he said it would

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Orthodox of the popula- reform state an significance and they ash state will be worth as Messiah comes and s total.

Orthodox Jews who percent of the population? creation an important religious that Judaism, when the 20th century, can flourish etc.

are any indication, religious power among Israel's strictly ob-

servant Jews is gravitating to the non-Zionist minority, while the Zionists are increasingly on the defensive. If this trend continues, it will have a major impact on Israeli society and on Israel's relations with Jews in the rest of the world.

"American Jews, who have often been concerned about rising Christian or Moslem fundamentalism, must recognize that a serious Jewish fundamentalist revival is gaining strength in Israel as well."

— Daniel J. Elazar, a religious politics expert

fundamentalist revival is gaining strength in Israel as well," said Daniel J. Elazar, an expert on religious politics.

The nonreligious Israeli majority, represented largely by the Labor Party and the Likud bloc, is standing by and watching, waiting to make political deals with whatever religious parties emerge strongest and most able to deliver votes in exchange for concessions on religious issues.

Although there has been a strong ultra-Orthodox community in the land since before the Zionists immigrated, these people, who are known in Hebrew as Haredim or "those who are God-fearing," always lived quite secluded from the rest of the society. Until recently, they made little attempt to integrate or dominate.

Murdoch Seeks to Buy U.K. Daily

REUTERS
LONDON — Rupert Murdoch agreed Tuesday to buy the troubled British color tabloid Today for £38 million (\$61.8 million), a spokesman for his News International group said.

The spokesman, Arthur Britton, said the purchase was subject to government approval by the end of the business day Wednesday. The newspaper is now owned by Ladbroke PLC.

Today, Britain's only full-color daily, has been losing money since it was begun in March 1986. It is expected to lose almost £30 million in the fiscal year that ends in September.

Mr. Britton said News International wanted to add a middle-market newspaper to its British publications, which include The Times, The Sunday Times, the daily News of the World and the popular tabloid The Sun.

The Australian-born Mr. Murdoch, now a U.S. citizen, offered to buy Today after another newspaper tycoon, Robert Maxwell, withdrew from negotiations.

Today has already been rescued once. Ladbroke bought the newspaper from its founder, Eddie Shah, a few months after publication began.

Mr. Shah, who had been a successful suburban newspaper publisher, introduced computer technology with Today and helped to spearhead an exodus of newspapers from the traditional Fleet Street district of London.

AIDS Victim in L.A. Held for Selling Blood

By Judith Cummings
New York Times Service

LOS ANGELES — Charges of attempted murder have been filed by the Los Angeles District Attorney against a 28-year-old man for knowingly selling his AIDS-infected blood.

The district attorney, Ira Reiner, said the man had sold his blood at least once to a Los Angeles blood company, Plasma Production Associates, and was in the process of a second attempt when he was arrested Thursday.

Joseph E. Markowski, described by the authorities as a prostitute and a drifter, said he had sold his infected blood on 23 other occasions, according to Mr. Reiner. He said prosecutors had not verified the statement.

Mr. Markowski was charged with four counts of attempted murder and six counts on lesser charges. Two of the attempted murder counts stem from sexual relations Mr. Markowski had three months ago with a man in Los Angeles, the prosecutors said.

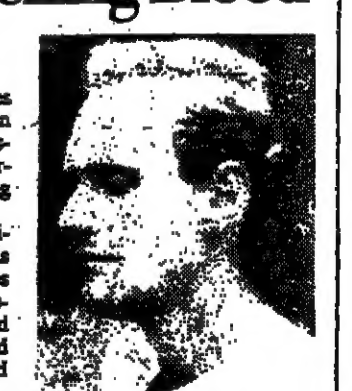
Mr. Reiner said that Mr. Markowski asserted that he had sexual relations with four other men since learning he carried the virus of acquired immune deficiency syndrome. None of those men has been located, the district attorney said.

According to the American Red Cross, it is extremely rare for AIDS-infected blood to pass undetected through the screening process. A Red Cross spokesman in Washington, Terry Gantner, said that on two occasions blood testing positive for the AIDS virus had escaped detection.

Since the blood screening program was instituted nationwide in the spring of 1985, 24 million units of blood have been screened, he said.

While the tests detect antibodies to the virus, newly infected people do not develop antibodies for weeks or months. Ms. Gantner noted that in this "window period" it is possible for infected blood to bypass the screening process.

Doctors who examined Mr. Markowski after his arrest said that he not only carries the virus but has been suffering from the



Joseph E. Markowski

disease for about six months. Assistant District Attorney Antonio Barreto said. The AIDS virus destroys the body's defenses against cancers and other fatal infections.

Mr. Markowski pleaded not guilty at his arraignment Monday and was ordered held on \$1 million bail. Two of the marshals who brought him into the courtroom wore gloves.

Mr. Barreto said that Mr. Markowski is being held in a homosexual unit at the Los Angeles County Jail under observation as a potential suicide.

The authorities described Mr. Markowski as a transient who spent his time in West Hollywood, a city surrounded by Los Angeles. He has lived in Los Angeles for the past "several months" and before that spent some time in San Francisco, the district attorney said.

Mr. Markowski's saga began on June 16 when he approached a bank guard, "tried to grab his gun, and yelled, 'Kill me, kill me! I have AIDS!'" Mr. Reiner said.

Mr. Barreto gave this account of what happened next: "The policemen who were summoned searched Mr. Markowski's clothing and found a piece of paper indicating he had

See AIDS, Page 4

World Health Organization says U.S. aid cuts will be damaging. Page 2.

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World Health Agency Sees Long-Term Harm in U.S. Aid Cuts

By Thomas Newman
International Herald Tribune

GENEVA — As the United States continues to withhold most of its annual \$62 million contribution to the World Health Organization, concern is mounting among officials at the UN agency that even its special programs, such as the fight against AIDS, will suffer.

This year, for example, Dr. Jonathan Mann, director of the organization's Special Program on AIDS, is seeking \$34 million in "extrabudgetary" funding, or money outside the overall WHO budget of \$634 million for 1988-89.

He will probably get it, including \$10 million from the United States — \$6 million from the Geneva office, \$1 million for the agency's AIDS office in Africa and \$3 million worth of donated condoms.

Nevertheless, Dr. Mann and other WHO officials fear that the program on acquired immune deficiency syndrome, along with other "extrabudgetary" programs to combat such tropical diseases as malaria and cholera, will be dragged down in the long run by WHO's overall financial squeeze.

'If the WHO isn't strong, no single program can remain strong by itself for very long.'

— Dr. Jonathan Mann, AIDS director for WHO



The United States has withheld much of its annual payment to WHO in an effort to promote efficiency and gain a larger budget-making role at the agency.

If the Americans provide \$10 million of the \$34 million in extra funds, said Dr. Mann, "they're contributing in a substantial way."

"But if you have this other problem, when the basic organization we work for is weakened, it cannot help but hurt us all," he added. "If the WHO isn't strong, no single program can remain strong by itself for very long."

In the past year, U.S. efforts to bring about change at WHO, and

at the United Nations, have led to a certain degree of restructuring and cutbacks throughout the UN system, drawing praise from U.S. officials. The United States has paid more than \$7 million of its \$62 million assessment for the health organization's 1986 budget year, and the agency has slashed its 1986 program budget by \$35 million, or about 6 percent.

U.S. officials say Washington expects to pay another \$35 million to WHO at the beginning of October, leaving a shortfall of about \$19 million for its 1986 assessment. But so far, there is no indication how much of the 1987 assessment of \$62 million will be paid, or when, according to WHO and U.S. officials.

"We have paid and intend to pay part of our assessment for 1986," said Don Newman, the U.S. under-secretary of health and human services. "But no one knows when and how much of the 1987 assessment will be paid, because Congress has yet to appropriate those funds."

"We should devote our fullest possible energy and expertise to dealing with this puzzling and devastating disease," Mr. Newman said, in a reference to AIDS during

a recent speech to WHO's annual assembly. "And we will continue to support research, education and blood-screening programs necessary to combat AIDS."

However, Mr. Newman also spoke of the "need to economize." He said that Washington's partial payments "do not in any way imply a negative judgment by the United States" about WHO. Instead, he said, they were a reflection of the Kassebaum amendment, in which Congress in 1985 ordered a reduction in U.S. contributions to international agencies until they give Washington more say in budgetary decisions.

WHO officials say the agency is operating under a great deal of uncertainty because of the unanswered questions over U.S. funding.

There are all sorts of bills going through Congress, all sorts of statements, some good and some not so good," Warren E. Furch, WHO's assistant director general, said in an interview. "But what the outcome will be, we cannot really say."

In direct response to the U.S. slowdown in contributions, Dr. Halldan Mahler, the agency's director general, has cut the 1988-89

budget by \$30 million, or about 9 percent. These cuts include a freeze on hiring, reduction of staff through attrition, a general cutback in programs costing the spectrum of WHO health efforts, and Dr. Furch says, a significant slowdown in activities.

"Are we alarmed?" he said in response to a question. "Very much so."

U.S. officials note that Washington is continuing its contributions to the so-called "extrabudgetary programs." According to Dr. Furch, the U.S. payments amounted to \$11.3 million over the past year to fight malaria, leprosy, cholera and other diseases.

At the annual assembly last month in Geneva, WHO officials said they had amended the agency's budget procedures to give the United States a greater role but that the amendment had given no sign that it planned to resume substantial contributions soon.

WHO officials contend that the United States is treating the organization unfairly, and they say that withholding funds after the WHO initiated budgetary reforms could provide little "incentive" for other UN organizations to follow suit.

WORLD BRIEFS

Rebel Ambushes Kill 11 in Philippines

TUGUEGARAO, Philippines (Reuters) — Communist rebels killed 10 Philippine soldiers and blew up a light tank in an attack on a convoy on its way to help an army outpost under guerrilla attack, an army spokesman said Tuesday. Seven soldiers were injured in the clash in northern Kalayaan Province.

The attack on Monday took place a day after the army called for wider powers to stop rebel killings of security forces in street attacks in Manila and other cities.

In Bulacan Province near Manila, suspected rebels shot and killed a police major on Tuesday as he was going by car in his office in the capital, the military said. A military report said that another might have been the work of Communist guerrillas.

New Zealand Election Set for Aug. 15

WELLINGTON, New Zealand (Combined Dispatches) — Prime Minister David Lange on Tuesday set general elections for Aug. 15, predicting that his Labor Party government would win a second three-year term.

Economic issues are expected to dominate the three-week campaign, although the Labor Party's ban on port calls by nuclear-powered ships could also be discussed. The opposition leader, Jim Bolger, said his National Party would not make the ban a major issue. The party has said it wants to restore the right of such ships to visit New Zealand so that the nation can return to the suspended ANZUS defense alliance, which comprises Australia, New Zealand and the United States.

Mr. Lange said he was calling the election a month early so that the Labor Party could complete its legislative program. Labor holds 55 seats and the National Party 38 seats in the 95-member, single-house Parliament. (AP, UPI)

Farmers Rally, Urge Ouster of Gandhi

NEW DELHI (NYT) — India's opposition parties, buoyed by recent election victories, organized Tuesday a huge rally of farmers and pledged to work for the removal of Prime Minister Rajiv Gandhi.

Organizers said that more than 350,000 peasants and supporters of the Lok Dal, or People's Party, and the National People's Party traveled from four states in northern and eastern India to listen to their leaders at what was described as a "victory rally" held not far from the prime minister's office.

The Lok Dal led an opposition sweep in elections this month to the state legislature of Haryana. The rally was said to be twenty times the size of a rally addressed by Mr. Gandhi at the same grounds last month. Hundreds of policemen stood guard behind temporary fences to ensure that the crowds did not move toward the government offices.

Bonn Tightens Security in TWA Case

BOON (Reuters) — West Germany has tightened security at borders and airports to guard against possible extremist attacks following a government decision to try a Lebanese hijacking suspect for murder, the Interior Ministry said Tuesday.

Chancellor Helmut Kohl last week rejected a U.S. request for the extradition of Mohammed Ali Hamadei, saying West Germany would try him for air piracy and murder in connection with the 1985 hijacking of a Trans World Airlines flight to Beirut. An American serviceman was killed in the hijacking.

Transfer of Beirut Hostages Reported

BEIRUT (AP) — Iranian Revolutionary Guards smuggled two American hostages from Lebanon to Iran in coffins that traveled part of the way in an Iranian diplomatic car, a Shiite Muslim source here said Tuesday. The source said the Americans were "probably Terry Anderson and Thomas Sutherland."

Islamic Jihad, a Shiite group loyal to Iran's leader, Ayatollah Ruhollah Khomeini, claims to have kidnapped both men. The source said the hostages were transported by way of Syria and Turkey. He said the transfer led Syria to restrict travel by Revolutionary Guards across Lebanese-Syrian borders.

The transfer took place late in May, the source said. He said the first taken to the Iranian Embassy in Damascus, "in a Revolutionary Guards' truck," carried in a Revolutionary Guard through a military road that crosses the Lebanese-Syrian border.

TRAVEL UPDATE

French Airlines Plan Extra Flights

PARIS (Reuters) — Spokesmen for Air France and French domestic airlines, said Tuesday that extra flights would be made up for delays and cancellations caused by air strikes and to cope with the holiday rush.

The controllers, locked in an 11-week dispute with the unions, will continue to stop work for one or two days this week, a peak holiday week during which 6.5 million passengers are expected to set off from major cities. Air France said all European flights for the week. About 15 flights to Germany and Switzerland might be delayed each day but none would be canceled, a spokesman said.

Air Inter, whose pilots were to end a separate two-night strike, said it would schedule extra afternoon flights. The airline would cancel 17 flights Wednesday morning extra 31 later in the day. It would also add extra flights Friday.

FAA Chief Expects U.S. Flights

WASHINGTON (UPI) — Donald D. Engen, Federal Aviation Administration, warned Tuesday that U.S. airlines will face growing air traffic delays, record traffic and a lack of airport capacity.

Mr. Engen, who is leaving the agency Thursday, Chicago, Atlanta and Los Angeles airports.

He also defended the agency's safety program, routine drug testing, rehiring controls.

A Pan American takeoff Monday was delayed at Miami International by the remaining 14 minutes.

An electrical fire forcing the pilot to land at Ronald Reagan National Airport in Washington.

In a few weeks Parliament is again scheduled to debate the issue of who is considered a Jew. The Harodi parties want Parliament to reactivate a pre-1948 law governing changes in religious status would empower the rabbis to determine the religious status of anyone who converts to Judaism who grants to Israel.

Since the Harodi parties recognize American-style Reform or Conservative Judaism, any converted by a Reform or Conservative rabbi would not be considered Jewish or eligible for automatic Israeli citizenship.

In a deal struck in May with Shas, the Likud bloc, which is led by Prime Minister Yitzhak Shamir, agreed in principle to back such an amendment.

The Likud accepted such a bill as part of a deal in which Shas agreed not to throw its support behind efforts by Foreign Minister Shimon Peres, leader of the Labor Party, to call an international peace conference on the Middle East. Had Mr. Peres offered Shas the same deal on the Jewish identity issue that Likud did, Shas would have supported an international conference.

Shimon Tshombe, Shas leader, preparing

Ship Flying Kuwaiti Flag Is Damaged In Missile Attack by Iranian Gunboat

The Associated Press

MANAMA, Bahrain — An Iranian gunboat fired a missile into a cargo ship flying the Kuwaiti flag off Kuwait last Monday, setting the ship's quarters ablaze, maritime salvage officers said Tuesday. No injuries were reported.

The fire on the Al-Mirkab apparently was put out by crewmen and the vessel sailed to Bahrain with only minor damage, the officers said.

The gunboat, probably based at the Iranian island of Farsiyah, sped toward the ship to launch its attack shortly before midnight, the executives said. They said the boat fired once from a multiple-rocket launcher.

The 32,500-ton Al-Mirkab radioed a distress call at 11:40 P.M. Monday night asking for help, the officers said. Hours later, they said, the bulk carrier reported its crew was putting out the fire.

The Al-Mirkab was the third Kuwaiti ship that Iran has attacked since attacks on tankers resumed June 20 after a one-month lull following the Iraqi missile attack on the U.S. frigate Stark. Thirty-seven Americans died in that attack. Iraq apologized for the raid, saying it was an accident; the United States accepted the apology.

The United States considers Iran a greater menace than Iraq to Gulf shipping, although both Iran and Iraq have attacked about 250 ships in the Gulf since February 1984 in an effort to cripple one another's economy.

Eleven of Kuwait's 21 tankers are to carry the American flag and thus will be entitled to protection by U.S. warships in the Gulf.

The Al-Mirkab was on a regular voyage from Kuwait to Bahrain and was near Farsiyah when the attack took place. The ship was about 150 miles (240 kilometers)

south of Kuwait and 60 miles from Saudi Arabia.

The vessel belongs to the Kuwait-based United Arab Shipping Co., which is owned by Kuwait, Iraq, Saudi Arabia, the United Arab Emirates, Bahrain, Qatar and Oman.

Farsiyah Island has been used as a base by Iranian Revolutionary Guards who use gunboats to raid commercial ships in the Gulf. On Saturday, Iranian gunboats attacked two Scandinavian tankers, seriously damaging one, near where the Al-Mirkab was hit.

The hull in the "tanker war" was broken by Iraq, and the Iranians have retaliated by hitting commercial vessels off Arab coasts.

Iran has accused Kuwait of aiding Iraq's war efforts, saying that freighters often unload shipments of military significance in Kuwait for transshipment to Iraq.



Robert H. Bork

COURT: Bork Leads Field

(Continued from Page 1)

general, Elliot L. Richardson, and his deputy refused and then resigned. The incident is known as the "Saturday Night Massacre."

The Senate majority leader, Robert C. Byrd, of West Virginia, said that nominating Judge Bork would be inviting problems because of that incident. Mr. Byrd also told White House officials he was not available for consultations until at least Thursday.

On Monday, Mr. Richardson said he believed that Judge Bork had performed honorably in the "Saturday Night Massacre" and that he deserved credit.

"I had asked the legal counsel to check whether Nixon had the right to fire Cox," Mr. Richardson said. "The legal counsel concluded that he did. Therefore, we thought Bork could do the right thing and deliver that message; Bork deserves a lot of credit for standing up to Nixon and telling him to appoint another special prosecutor."

"Bork weighed in with the president that he had to appoint a new one and helped to line up Jaworski," he added, referring to Leon Jaworski, Mr. Cox's successor.

Judge Bork, widely regarded as a conservative, was a leading candidate when Mr. Reagan selected Antonin Scalia to replace William H. Rehnquist, who was elevated to chief justice.

Administration officials said that Judge Bork was the choice of Mr. Meese and top Justice Department officials, who regarded his prospects of being confirmed as a Supreme Court justice "very high."

"You'll have the legal world in his support," one official said, adding that in light of Judge Bork's outstanding credentials as a legal scholar, the American Bar Association and many legal scholars would support him as highly qualified, thus isolating liberals who attack him a rigid conservative ideology.

Along with Judge Bork, others frequently mentioned as likely candidates include Senator Orrin G. Hatch, Republican of Utah, and two other appeals court judges, Robert A. Posner of Chicago and J. Clifford Wallace of San Diego.

Mr. Reagan, in another development Monday, dismissed suggestions that his presidency was at its lowest ebb, which had been the subject of a front-page article Sunday in The New York Times. The article quoted congressional leaders, administration officials, confidants of the president and others who shared that view.

Without referring to the article directly, Mr. Reagan told Republican political activists invited to the White House that he planned to pursue his priorities aggressively throughout the remaining 18 months of his term.

(NYT, AP)

KOREA: Chun Is Said to Accept

(Continued from Page 1)

Monday, the proposals have received overwhelmingly favorable comment from both camps and from the press, and are credited with returning calm to the streets.

Most important, they have produced a sense of optimism that is rare in a political system marked by years of deep distrust between the government and opposition.

The Justice Ministry has begun screening the files of 1,000 political prisoners for possible release, officials said. More than 200 prisoners were released on Monday.

A spokesman for the Education Ministry said Tuesday that the government was considering reinstating college students who were expelled in connection with the protests. Since 1984, nearly 300 college students have been expelled from schools this way, the government says.

Mr. Chun spent much of Tuesday in what were described as consultations on political reform with the cabinet, the heads of the judicial and legislative branches of government and a council of political advisers.

Mr. Roh visited members of the committee that is organizing the 1988 Summer Olympics, which are to be held in Seoul, and told them to work hard to prepare for the games now that the crisis was over.

The main opposition party led by Kim Young Sam, meanwhile, has formed a special committee to

Seoul Opposition's List of Reforms

(Continued from Page 1)

SEOUL — Following is the eight-point plan of democratic reforms that President Chun Doo Hwan has reportedly accepted in principle:

- Speedy constitutional revision through agreement between opposition and ruling camps, leading to direct presidential elections before February 1988, when Mr. Chun's term expires.

- Revision of laws to guarantee free and fair presidential elections.

- Amnesty for Kim Dae Jung, a leading dissident, and restoration of his civil rights. All political prisoners except those charged with violent crimes to be released.

- Guaranteed respect for human rights.

- A free press, including allowing newspapers to base correspondents in provincial cities. Withdrawal of controversial basic press laws.

- Instituting local autonomy, with the principles of independence and self-reliance guaranteed for all levels of society.

- Guarantees that political parties can carry out legal activities unfettered, fostering of a political climate in which dialogue and compromise prevail.

- A nationwide campaign against violent crime and corruption.

JEWS: Religious Struggle in Israel

(Continued from Page 1)

ben soccer games on the Sabbath, the Harodi see things quite differently.

Many have family roots in Israel that date long before the first Zionists arrived, when the only Jews who lived in Israel were religious.

In their view it is their way of life that has been besieged by modern Israeli society, said Rami Meir, a 72-year-old leader of the Harodi party, Agudat Israel.

When Israel was founded 39 years ago, the secular Zionist majority was ready to accept the Harodi groups because they reminded them of their grandfathers and because the Zionists felt certain that these people, speaking Yiddish and dressed in Eastern European attire, would weather away in a generation.

According to the Jerusalem Institute for Public Affairs, the average number of children in Harodi families is 8, compared with 3.5 for religious Zionists and 2.2 for secular Zionists. The vast majority of new immigrants today are Orthodox Jews from North America and Western Europe.

In the 1977 elections, the Zionist National Religious Party won 12 seats in Parliament; today it has four and in the next election could hold even fewer. The ultra-Orthodox party, Shas, which did not exist in 1977, has four seats today, and Agudat Israel has two.

Because the Harodi now dominate the religious bloc and because the religious bloc in Parliament holds the balance between Labor and Likud, it is the Harodi whom the secular politicians are increasingly rushing to placate.

In a few weeks Parliament is again scheduled to debate the issue of who is considered a Jew. The Harodi parties want Parliament to reactivate a pre-1948 law governing changes in religious status would empower the rabbis to determine the religious status of anyone who converts to Judaism who grants to Israel.

Since the Harodi parties recognize American-style Reform or Conservative Judaism, any converted by a Reform or Conservative rabbi would not be considered Jewish or eligible for automatic Israeli citizenship.

In a deal struck in May with Shas, the Likud bloc, which is led by Prime Minister Yitzhak Shamir, agreed in principle to back such an amendment.

The Likud accepted such a bill as part of a deal in which Shas agreed not to throw its support behind efforts by Foreign Minister Shimon Peres, leader of the Labor Party, to call an international peace conference on the Middle East. Had Mr. Peres offered Shas the same deal on the Jewish identity issue that Likud did, Shas would have supported an international conference.

Shimon Tshombe, Shas leader, preparing

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Panama, Assailing U.S. For Senate Resolution, Lifts State of Emergency

The Associated Press
PANAMA CITY — Panama ended a 19-day state of emergency Tuesday and restored constitutional freedoms, while political leaders assailed U.S. criticism of the military-controlled government.

Pro-government political parties called a morning rally to support Foreign Minister Jorge Abadía Arias, who said Monday he had sent a protest note to Secretary of State George P. Shultz over U.S. congressional statements about Panama's internal affairs.

The note and a resolution passed Monday by the National Assembly were in response to a U.S. Senate resolution urging free elections in Panama and an end to the state of emergency.

The majority coalition in the National Assembly unanimously approved legislation calling off the state of emergency. The legislation said President Eric Arturo Delvalle "needs to be able to repudiate charges by foreign critics."

The bill was approved 39-0 with six majority members and all 22 opposition deputies absent. It said the protests that led to the state of emergency decree had ended, and it urged Panamanians to refrain from further violence.

The resolution also called for the expulsion of the U.S. ambassador, Arthur Davis.

On Monday, Mr. Abadía summoned Mr. Davis to discuss what he termed the U.S. Senate's "intolerable and offensive meddling" in Panama's internal affairs.

Mr. Delvalle imposed a 10-day state of emergency on June 11, suspending constitutionally guaranteed rights such as freedom of the press and assembly. The legisla-

ture, which alone can extend an emergency decree, did so June 20.

The state of emergency followed two days of violence by protesters demanding the ouster of Panama's military leader and de facto ruler, General Manuel Antonio Noriega.

Three newspapers suspended publication the day after the emergency began rather than submit articles to government censors. Two of them, *La Prensa* and *El Siglo*, later resumed publishing during the emergency.

The U.S. State Department and the Foreign Affairs Committee of the U.S. House of Representatives had also condemned the state of emergency, but there was little reaction in Panama until the Senate vote.

The Senate called on General Noriega to step down pending an independent investigation into charges that he had been involved in a killing, election fraud and drug trafficking.

Mr. Delvalle and the military leadership issued separate statements last weekend condemning what they called U.S. efforts to dictate decisions on Panama's internal affairs.

Panama's ambassador in Washington, Dominador Kaiser Bazar, was called home Saturday for "urgent consultations."

On Monday, dozens of people demonstrated outside the assembly building, shouting anti-American slogans and burning paper effigies of Uncle Sam.

General Noriega has attributed the allegations against him to groups in the United States trying to undermine the 1977 treaties that will transfer control of the Panama Canal to Panama in the year 2000.



CAPTURED PILOT RETURNS TO U.S. — Joseph Longo, an American pilot from Greensburg, Pennsylvania, was greeted Monday night by his girlfriend, Leslie Premick, at Andrews Air Force Base, Maryland, after his release Sunday by Angola. Mr. Longo was ferrying a plane for an American company when he was shot down over Angola in April.

Angola Lays Out Conditions to U.S.

By Clifford D. May
New York Times Service

LUANDA, Angola — President José Eduardo dos Santos told a visiting U.S. congressional delegation on Monday that he was willing to negotiate the withdrawal of Cuban troops from Angola as a way to improve relations with the United States.

But he said that he would not order Cuban troops out of Angola while South Africa was under white minority rule.

"No country of southern Africa can feel secure as long as apartheid exists," he said. "As long as apart-

heid continues to threaten, the Cuban forces must remain."

In the past, Cuban troop strength has decreased when the situation was calm, the president said.

"The president and other leaders indicated a real willingness to be flexible," said the leader of the U.S. delegation, Representative Howard E. Wepke, Democrat of Michigan, who is chairman of the House subcommittee on Africa. "They showed a keen sensitivity to the significance of the Cuban troop presence has for the United States and how that plays out politically in Congress."

UNITA also receives \$15 million a year in covert U.S. military aid.

The number of Cuban troops in Angola has grown in recent years to more than 35,000, including as many as 28,000 combat troops. The rest are believed to be trainers and advisers. In addition, about 2,000 advisers from the Soviet Union and East Europe are in Angola.

At least 2,000 South African troops operate in southern Angola in support of the National Union for the Total Independence of Angola, or UNITA, the anti-government guerrilla movement led by Jonas Savimbi.

UNITA also receives \$15 million a year in covert U.S. military aid.

Prosecutor Asks Life Sentence For Barbie, Citing the Victims

By Julian Nundy
International Herald Tribune

LYON — The prosecutor at the trial of Klaus Barbie demanded a life sentence on Tuesday for the former SS officer.

Pierre Truche, the state prosecutor, told the jury that the defendant, on trial for crimes against humanity, had shown no mercy for his victims when he was based in Lyon during World War II and no remorse since then.

"Barbie hasn't changed," he declared, "and his victims are marked forever." Children deported to their deaths in the gas chamber of concentration camps "are not here to speak," he said.

After saying that only Barbie's victims had the right to ask the court to show mercy, Mr. Truche said: "I ask you to say that it is for life that Barbie shall be imprisoned."

Those words ended a six-and-a-half-hour summation by the prosecutor, spread over two days, in a trial that has lasted seven weeks, mostly in the absence of the accused.

Barbie, 73, left his trial on May 13 to protest what he said was his illegal expulsion to France from exile in Bolivia in 1983. Since then, he has been brought back against his will twice to be confronted by witnesses.

The main charges against him are that he organized the deportation to concentration camps of 44 Jewish children from a children's home four months before the Lyon area was liberated in 1944, the deportation of 86 Jews in 1943 and the "last conveyance," a train carrying 650 Resistance members and Jews to the camps in the last days before liberation on Aug. 11, 1944.

The court has heard how Barbie tortured people under interrogation, using dogs to savage them, fires to burn the soles of their feet and immersing them alternately in scalding and freezing baths.

Mr. Truche said that 767 French citizens were executed after the war for collaborating with the Nazis. Although some Germans had been sentenced to death by French courts, he added, these sentences had all been commuted to prison terms.

Barbie was twice sentenced to death in his absence in the 1950s for crimes now covered by the statute of limitations.

Mr. Truche said: "Let them not say that we took a German to save the conscience of the French." He said Barbie's trial was "the trial not of a German but of a torturer" and that Germany under the Nazis had been "struck by a cancer for 12 years."

Referring to French postwar reluctance to face up fully to the extent of collaboration with the Nazis, Mr. Truche added: "We were affected by the same cancer and we took tranquilizers, even 'euphorizers.'"

Barbie's defense lawyer, Jacques Vergès, due to sum up on behalf of his client later in the week, long promised to turn the trial into a trial of the French record under the occupation but has so far failed to do so.

Before Mr. Vergès speaks, two other lawyers who have appeared on the defense benches since the trial opened, one from the Congo and one from Algeria, are scheduled to speak.

Mr. Vergès is known for opposition to colonialism, which probably explains the choice of an African lawyer.

Of the two foreign lawyers who have appeared to assist the defense, only the Congolese, Jean-Martin Mbemba, attended trial sessions at which actual victims or their relatives testified. The Algerian, Nabil Bouhassine, appeared in the Lyon court for the first time last week.

Agence France-Presse reported that the head of the Algerian bar, Tayeb Balloul, said the lawyer had "acted alone, in an isolated manner and without the consent of the bar."

Mr. Vergès is to open his summation on Thursday. The verdict is expected Friday.

Haughey Joins Thatcher In Backing Ulster Pact

The Associated Press

BRUSSELS — Prime Minister Charles Haughey of Ireland, long a vocal opponent of the 1985 British-Irish agreement on Northern Ireland, met Tuesday with Prime Minister Margaret Thatcher of Britain and pledged to support the accord.

In a statement after the 20-minute meeting, the two leaders said they had "committed themselves to continue cooperation within the framework of the Anglo-Irish agreement and to all possible measures to defeat terrorism."

Their meeting, during the summit conference of the European Community, was their first since Mr. Haughey's Fianna Fail party defeated Prime Minister Garret FitzGerald's Fine Gael in February.

During the election campaign Mr. Haughey softened his criticism of the accord signed by Mr. FitzGerald and Mrs. Thatcher in November 1985.

Mr. Haughey had opposed the agreement's recognition of British rule over Northern Ireland. The agreement accepted the British position that no constitutional change in Northern Ireland's status, such as closer links or unification with the Irish Republic, could come without majority agreement in Northern Ireland.

Protestant leaders in the North also oppose the agreement because it gives Dublin a consultative voice in Northern Ireland's affairs.

Belfast Riots Dispersed

The police in Belfast fired plastic bullets Tuesday to disperse about 40 rioters who built barricades and bombarded security forces with stones and gasoline bombs in a Roman Catholic area of West Belfast. Riots reported.

It was the second day of violence this week in Belfast. No one was injured or arrested in the disturbances on Monday night, the police said.

Burma's Ethnic Minorities Struggle for Autonomy

By Barbara Crossette
New York Times Service

THREE PAGODAS PASS, Burma — It would be easy to make light of the Mon revolution.

A silent struggle, devoid of glamour, it does not figure on solidarity posters in the West; there are no videos or folk songs or fund-raisers.

The commanding general of the patchwork Mon National Liberation Army — barely 3,000 men and women holding out for regional autonomy in Burma — laughs softly as if at an absurdity when asked if

he gets any help from abroad. His troops hitch rides to Bangkok to buy arms.

A young combatant, leading visitors to the general's jungle headquarters a few miles from Three Pagodas Pass, a Mon-controlled village along the Thai border, plops through mud and underbrush in lacelace old shoes too large for his slender feet.

Reaching camp, the young soldiers begin to talk about what has brought them into the ranks of a cause older than they are. It is the

restoration of some self-government to the Mon of lower Burma, descendants of a once-nobility and cultured Southeast Asian empire that predated the rule of ethnic Burman kings and brought Buddhism to a land now ballmarked by pagodas.

While most of the four million ethnic Mon in Burma have opted to live with the government in Rangoon since Burma's independence in 1948, others — perhaps 100,000, including children — support an armed resistance, living in small villages like Three Pagodas Pass in

areas beyond the central government's control.

The depth of commitment among young Mon men and women who join the rebel army is echoed all around the country's borders by other ethnic minorities whose battles go on against all odds. Many of the Mon rebels were born after General Ne Win, an ethnic Burman, seized power in 1962 and put an end to further discussion of regional autonomy.

"There are at least nine ethnic regions like ours," a young Mon guerrilla from the port of Moulmein said. "And we are all Burma's colonies."

Later, the commander, General Tay Mon, said: "Our aim is to free our Mon from Burman chauvinism. Students are coming to join us. We have plenty of patriotic men. Only our arms are not enough."

Other ethnic minorities and tribes, including the Karen, Kachin, Shan, Wa, Chin and Arakanese, have dotted Burma with rebellions, giving the Ne Win government its most persistent military problem. They also further weaken an already battered economy, as smugglers pass through these rebel-held border territories, hauling away in trucks and carts and on the backs of porters some of Burma's gems, cattle, rubber, timber and, farther north, its opium and heroin.

The fortunes of the ethnic armies rise and fall, but the smuggling goes on. Trade routes through Karen territory, cut by Rangoon's troops

in recent winter offensives, for example, have been replaced by new channels through the Mon state, bringing the guerrillas and their families in Three Pagodas Pass a sudden windfall. They have begun to collect a 5-percent "tax" on contraband.

Increasingly, Burma's guerrilla generals and their political counterparts say they want a chance to talk with the Ne Win government, not about independence but about a measure of autonomy for traditional homelands. In return, they could offer safe borders and some hope of stemming the illegal export flow.

Recent Burmese Army successes against another enemy may help the ethnic minorities' cause. In the past, Rangoon's security problems have been complicated by a Communist Party of Burma insurgency in the north and east.

Diplomats in Rangoon say that a Communist-dominated armed opposition was what the government feared most. But recently the Burmese Army has made considerable progress in its increasing attacks on Communist strongholds, while pursuing an American-backed, anti-narcotics drive.

Because the heroin trade through Thailand and now Laos sustains the Communist Party of Burma as well as the Shan rebels, the spraying of opium fields and the destruction of heroin refineries works as an integral part of the attempt at political consolidation.

Supreme Soviet Adopts Gorbachev's Reforms

United Press International

MOSCOW — The Supreme Soviet adopted laws on Tuesday for limited referendum, a sweeping economic reform and the right of appeal against abuses by officials.

The 1,500-member nominal parliament ended a two-day session in

the Kremlin by enacting three laws broadening the democratization and glasnost, or openness, campaigns of the Soviet leader, Mikhail Gorbachev.

The first law enacted Mr. Gorbachev's proposal for self-management of enterprises, freeing them from the total control of central planning.

"The document introduces fundamental changes to the established practices of the functioning of the Soviet industrial plants, factories and the entire economic system," the Tass news agency said.

The state enterprise law, which comes into effect on Jan. 1, makes enterprises self-financing, allowing them to contract for goods and to sell their products both on the market and to the state.

Industries will now bid for state contracts rather than having them automatically assigned and will operate on a basis of full cost accounting, rather than centrally controlled budgets.

The second law prescribes "nationwide discussions on major issues of state life," with the possibility that suggestions will be incorporated in legislation.

The third law gives Soviet citizens the right to appeal to a court on actions infringing on their rights, Tass said.

Such an appeal, it said, could be made only after an appeal to a superior administrative organization, and the court's verdict would then be final. Tass did not mention the possibility of collecting damages.

Living Abroad

American Clubs: No Frills, Friendly

By Sherry Buchanan
International Herald Tribune

LONDON — The American Clubs in Europe, by their own admission, do not have snob appeal. Most do not even have a clubhouse.

But, if you are American, they are easy to join, and are also good places to meet people, hear interesting speakers or take in a few shows.

"There is no snob appeal at all," said A. Diederik Van Galen, of Boyden International, an executive search firm, who is on the executive committee of the 800-member American Club in Paris. "But if I were an executive just arriving in Paris, the first place I would go to meet people and reduce culture shock would be the American Club."

Mr. Van Galen, who has lived in Paris for more than 20 years, is also a member of the exclusive Maxim's Business Club and the socially prestigious Polo Bagatelle.

"The American Club is not supposed to be an exclusive club," said Paul Haskell, of Bernston International, an executive search firm. He is second secretary of the American Club and has been a member for the 23 years he has lived in Paris.

"It is not like the Jockey Club, for instance," he said. "It is quite open and democratic. It has a nice, friendly, informal atmosphere where people have a good time."

The American Club in Paris traces its origins to Benjamin Franklin, who started holding regular dinners at his house in Passy for his fellow countrymen in 1777, during the dark days of the War of Independence.

There are 20 American Clubs and American Women's Clubs in Spain, Italy, West Germany, England, the Netherlands, Switzerland and Belgium, each with its own bylaws.

To get in most of the American Clubs, people must be proposed and seconded.

"Unless the person is really discreditable, there isn't much of

a problem," said Mr. Haskell, who, like Mr. Van Galen, is a member of Maxim's Business Club and Polo Bagatelle.

Mr. Van Galen said that "as long as the applicant is a member in good standing of the Paris American community, there is no problem. If we feel that the person wants to join strictly to sell their service, we are a little wary."

The American Club in Brussels suggests that newcomers

"There is no snob appeal at all."

— A.D. Van Galen

who do not know anybody attend one or two of the club's functions, where they are likely to meet members.

"There is a waiting list of six months to a year for non-Americans, but if you are American you are accepted right away," said Patricia Hurwitz, secretary of the American International Club in Geneva, one of the most active American Clubs in Europe, with 1,400 members.

The American community in Geneva numbers 4,000 people. Mrs. Hurwitz said she has never seen an American turned down in the 15 years she has worked for the club.

Far from being just a meeting place for new arrivals, the clubs also appeal to long-term residents. The majority of members at the American Club in Paris are long-term residents.

Once only open to men, the clubs accept women members. The American Club in London was one of the last to do so, in August.

"We are going particularly after the businesswoman," said a spokeswoman for the American Club in London, which is one of the few clubs to have a clubhouse. There are 12 women in the club.

"Co-educational clubs are more to my liking than women's club," said Katrina de Carbone, marketing director for Charles de Carbone Falcenes, who joined the American International Club in Geneva last week and who is also a member of the American Women's Club there.

"It is more interesting from a business point of view," said Mrs. de Carbone, an American who was brought up in Switzerland and has lived in the United States and France.

Membership in an American Club usually is of little help in getting into exclusive European clubs, but some American Clubs do have reciprocal agreements with other clubs.

Members of the American International Club in Geneva have access to the New Sporting Club of Geneva, a fitness club, at a 50 percent discount, and have free access to Forest Hill tennis courts in London, Paris and the Côte d'Azur.

The American Club in London has reciprocal arrangements with the American Club in Sydney, Hong Kong and Singapore. Once only a luncheon club, most of the American Clubs are expanding their activities. The club in Geneva organizes golf and tennis tournaments and has the reputation for putting on the biggest 4th of July celebration outside the United States. Depending on the weather, 35,000 to 60,000 people attend the club's jazz and fireworks event.

Membership is open to non-Americans. Membership varies, but generally is 60 percent American and 40 percent non-American.

"Many Americans I interviewed at some point made use of an expatriate club," said Genevieve Muir, who interviewed 100 expatriates living in London for her book "New to the UK."

"But people who make this their whole life run into serious difficulties," she said. "It can be unhealthy and increase their frustrations."

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Suddenly in Seoul

The People's Will

For weeks South Korea appeared to be inching toward civil war. Now, suddenly, it verges on peaceful, democratic revolution. Roh Tae Woo, designated successor to President Chun Doo Hwan, opened the door by endorsing the principal opposition demand for direct presidential elections. The ruling party quickly rallied behind his candidate's bold stand. It is now up to President Chun to carry out the pledge fully and fairly, opposition leaders to respond constructively and the military to stay out of politics.

The Reagan administration, although tardy and often ambivalent about pressing reforms on Mr. Chun, deserves high marks for its behind-the-scenes diplomacy. But above all, the Korean people and leaders will merit the highest praise if they can conclude their conflicts in the voting booths.

Kim Young Sam, leader of the main opposition party, and Kim Dae Jung, his more militant rival, have hailed the Roh proposals. But Kim Dae Jung also seems tempted to raise new demands, such as immediate transfer of authority to a new transition government. Radical students, a continuing force in South Korean politics, remain to be heard. Nor can the armed forces be discounted.

They have aborted every democratic experiment in modern Korean history. A new military intervention could mean bloody civil war, loss of the 1988 Olympics and a serious deterioration in relations with America. Presumably, the Reagan administration has made this clear to military leaders.

As significant as the content of the Roh proposals is the climate that gave rise to them. They were elicited by a massive middle-class vote of no-confidence in the Chun regime and its plan for retaining power through stacked elections. The regime itself pushed policies into the streets when it broke off talks with the opposition on constitutional changes. Then, protesting students were joined by their parents, by workers and by the middle class.

"People are the masters of the country, and the people's will must come before everything else," Mr. Roh recognized in his dramatic and conciliatory speech on Monday. South Korea is at the threshold of a remarkable political achievement: passage, in little more than a generation, from backwardness and authoritarianism to prosperity and democratic rule. Whoever would now obstruct that course would have much to answer for.

—THE NEW YORK TIMES.

A Stunning Turn

Koreans appear stunned by the turn taken by Roh Tae Woo on Monday. He is the fellow former general and, everyone thought, the rubber stamp of President Chun Doo Hwan whose nomination by the ruling party to succeed Mr. Chun produced the wave of great demonstrations that began on June 10. But suddenly Mr. Roh separated himself from his ostensible boss and mentor, offering to meet all of the opposition's major demands and stating that he would step down as both party chairman and presidential nominee if Mr. Chun did not accept his proposals.

In principle, anyway, Mr. Roh has cleared the way for an expeditious approach to democracy in a fast-modernizing, healthy and prosperous Third World country that was being increasingly poorly served by the military autocracy imposed by the Chun government and its predecessor for the better part of two decades. The key issue had become the manner of presidential elections. The generals used an indirect system to retain power, while the opposition, more confident of its popular appeal, favored direct elections — the kind South Korea enjoyed until 1971.

That is what Mr. Roh has now agreed to. He also proposes not merely to end the house arrest of dissident Kim Dae Jung but to restore his political rights and relax the political scene in other substantive ways.

Mr. Roh's course seems calculated to detach the broad democratic opposition from radical, hard-to-conciliate students. To the extent that it succeeds, it may sharpen societal tensions in some military quarters. The generals, after all, though they have endorsed the political sensibilities of many South Koreans, enjoy their respect for holding Communist North Korea at bay. As for the opposition, it will be on notice to show that it can compose its considerable differences and put forward a sensible program in the new conditions evidently taking shape now.

Just a few days ago the Reagan administration appeared to have a potential disaster on its hands. Now it is a potential success. The difference springs from luck, which can still go either way, but also from a conscious effort to keep pace with the broad democratic passions that the students unleashed. President Reagan has been saying that there is a democratic current loose in the world, and South Korea is marvelous evidence.

—THE WASHINGTON POST.

Who Should Get Haven?

Which foreigners should be allowed safe haven in the United States when there is trouble back home? Using informal authority, the Reagan administration now will allow more than 7,000 Polish citizens who would be eligible for deportation to remain in the country at least through 1987.

The Poles have been in the United States since before July 1964, after fleeing martial law in their homeland. They are like citizens of a dozen other countries who have been granted what is called extended voluntary departure. But the same administration that now says yes to Poles seeking safe haven continues to say no to Salvadorans who fear returning to turmoil in their country.

The contradiction offers new reason to write safe haven status formally into law. The United States has opened its arms to refugees who satisfactorily prove a "well-founded fear of persecution" back home. But for visitors who need a part in a sudden storm like civil strife or natural disaster in their homeland, U.S. law can be casual and inadequate. Many countries have formal procedures for granting temporary refuge, but in America the decision is left to the discretion of the attorney general.

Under that discretion, the administration recently refused a request from the president of El Salvador for "extended voluntary departure" for half a million Salvadorans living illegally in the United States.

The double standard of extending temporary refuge for Poles but denying it to

Salvadorans could be justified in this case. President José Napoleón Duarte based his case not on humane principle but on expediency, arguing that sending home thousands of undocumented Salvadorans would create an economic crisis. Nevertheless, a case could be made that if forced to return home, many Salvadorans would face the chaos and danger of continuing civil strife.

The way to ensure that judgments to grant safe haven are not skewed by politics is to incorporate humanitarian criteria into law. That is an approach favored by Representative Romano Mazzoli. He has proposed formalizing safe haven status under existing immigration law. The idea is to allow the attorney general to grant emergency protection to a national group whose homeland is racked by armed civil conflict, environmental disaster or other "extraordinary and temporary conditions."

The attorney general's decision would take into account "immigration, humanitarian and international concerns," with at least an annual review of homeland conditions to determine whether to extend refuge.

Setting down formal standards for any national group seeking temporary safe haven would eliminate the need for special legislation to address the plight of individual groups like Salvadorans and Nicaraguans that have failed to win administration sympathy. The Mazzoli approach offers a sound way finally to get from here to there.

—THE NEW YORK TIMES.

Other Comment

Reform of the Soviet Economy

The meeting of the central committee of the Soviet Communist Party just finished in Moscow marks a crucial shift from piecemeal economic change to radical reform of the entire Soviet economic system.

Mikhail Gorbachev's name has always been vaguely associated with reform since he came to power, and this tends to blur the significance of the turn made last week in the way the Soviet Union runs its economy. In fact, political change, notably in the form of greater freedom of expression, has far outpaced economic reforms over the past two years. The system of directing the whole economy from Moscow continued much as it has done since it was set up by Stalin between 1929 and 1932. It is this which Mr. Gorbachev now plans to transform by limiting the power of the central economic organs to overall policy, giving enterprises independence and ultimately allowing wholesale trade to determine the balance between supply and demand.

There will obviously be resistance by central economic administrators in Moscow to changes which so reduce their authority, but there is not much they can do about it. In contrast to China, political change in the Soviet Union has preceded economic reform, and this makes it much more difficult for political conservatives to attack the measures introduced by Mr. Gorbachev.

—THE FINANCIAL TIMES (London).

Oddly, the economic modifications that Americans tend to focus on as hallmarks of Soviet change are probably the least important of the changes going on. Mikhail Gorbachev knows that in Eastern and Central Europe, especially in post-1936 Hungary, ordinary people took the bribe of expanded personal economic choice to forget their dreams of political liberty. A Hungarianization of the Soviet economy could probably be managed with very slight risk to the one-party state — or to its repressive apparatus.

—Columnist Edwin M. Yoder Jr.

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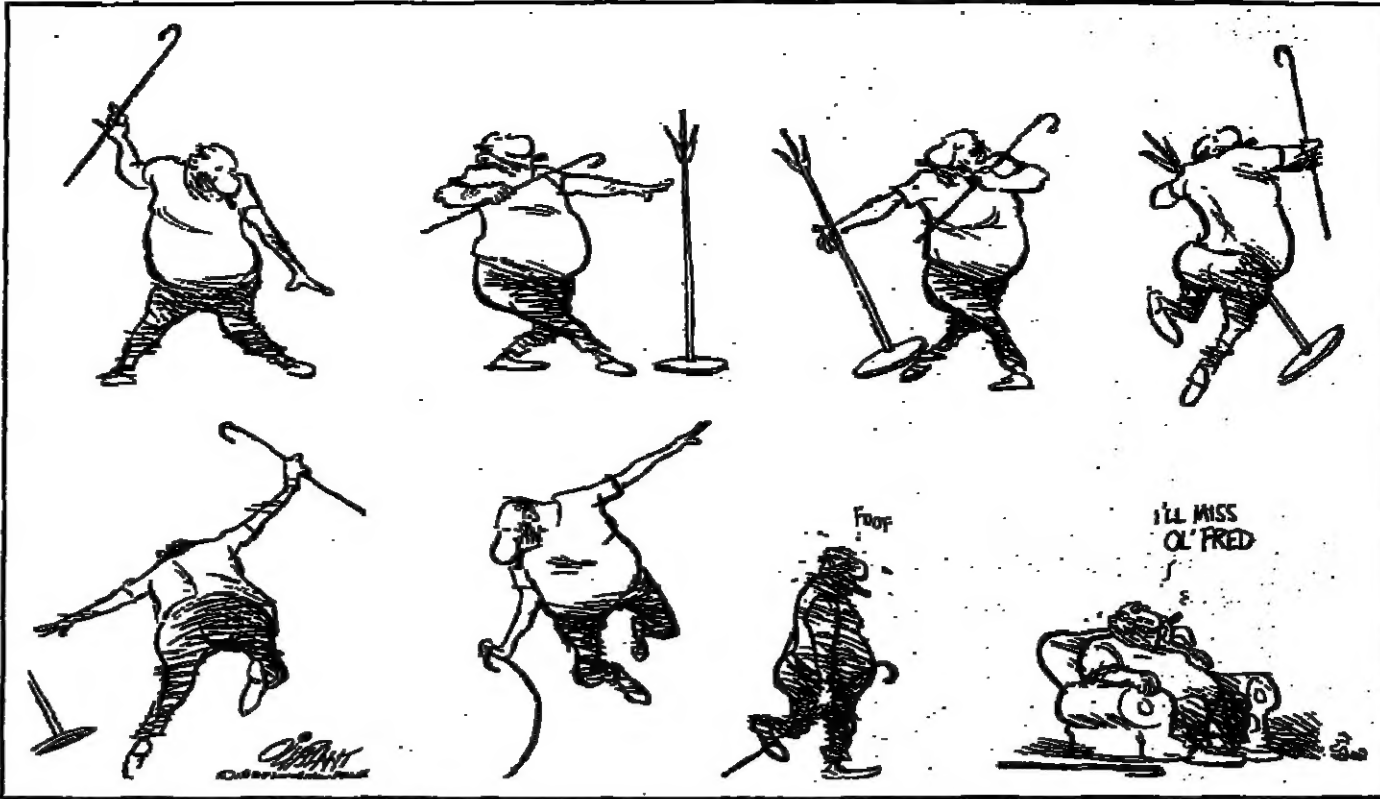
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OPINION



The Reports of a Reagan Fade-Out Are Premature

By David S. Broder

WASHINGTON — In the week of the Fourth of July, let us make a unilateral Declaration of Independence from the conventional wisdom of Washington. While "everyone knows" that Ronald Reagan is all washed up, let us consider the seemingly remote possibility that he has an opening for another of the remarkable recoveries that have marked his political career.

It's risky going down this road. On Sunday, The New York Times had a front-page headline that read, "Reagan Prospects as Leader Dim," and CBS did a long television piece on the same theme. They are surely wrong. But, oddly enough, President Reagan has just been handed two — maybe three — golden opportunities to make them eat their words.

Supreme Court Justice Lewis Powell's surprise resignation has opened the way for Mr. Reagan to reshape the long-term direction of the high court. The Democratic Congress has passed a budget that invites Mr. Reagan to mount his white house and go into battle against his favorite targets, the tax-raisers. And Mikhail Gorbachev has launched a huge domestic economic gamble that increases the odds for an intense nuclear arms control agreement and reduces the risk of Soviet foreign military adventures.

Clearly, Mr. Reagan's standing has been badly damaged by the Iran-contra affair and he remains at risk until Oliver North and John Poindexter have said their pieces. But in investigating Democratic senators such as Oklahoma's David Boren say that their constituents are still pulling for Mr. Reagan to finish his term with his head high. And, contrary to the current Washington theories, the instruments of his recovery are visible.

The Powell vacancy is sheer bliss for Mr. Reagan. The third appointment of his tenure allows him to replace the "swing man" on a whole series of social issues questions crucial to the Reagan constituency. If he finds a nominee with strong personal and legal credentials — as he certainly can — he can force the opposition to fight on the ideological ground where Mr. Reagan has always felt strongest and most comfortable.

Reagan has his cue by renewing their call for tax increases, and Republican Party leaders meeting last week in New Orleans were enthusiastically of the view that Mr. Reagan has the winning side of the debate.

The vagueness of the Democrats' tax plans allows Republicans to tell every group of voters that they may be the ones who will have to pay. That tactic worked very well for Prime Minister Margaret Thatcher in reversing a Labor Party surge in the final week of last month's British election campaign, and Republicans believe that Mr. Reagan can make it work in the United States.

As for the Gorbachev opening, the Soviet leader is embarked on a high-risk economic counter-revolution at least as bold as what the Chinese Communists are attempting. At the very least, developments in those two countries allow Mr. Reagan to claim that his market-oriented, individual-enterprise ideas are the wave of the international future. At best, these developments could usher in a period of peace and international cooperation that would permit Mr. Reagan to crown his presidency with significant arms control and trade agreements.

Reagan Has Become the Irrelevant Man

THE Reagan administration created a tangled, undisciplined, lying sub-government, financed by tin-cup diplomacy and staffed by zealots. They are now being called to account. Since the early days of the Iran-contra scandal, the public treatment of Ronald Reagan has altered cutaneously. Mentions of his meagerness and age have grown more frequent; his competence is questioned. None of the examinations go far, but Mr. Reagan has become the irrelevant man, written off in Washington. He is no longer credible.

—Patricia Derian, writing in WorldPaper (Boston).

Ideology Is What This Fight Is About

By Richard Cohen

WASHINGTON — Contemporary American conservatism proclaims itself three generations old. Each generation has had a task. The first group's job was to announce that conservatism exists. William F. Buckley Jr. did that by founding his National Review in 1955.

The second generation was supposed to design political strategies to put a conservative in the White House. It succeeded in 1980.

And the task of the third generation is "to roll back, on all fronts, the liberal conquest of the last half century." The next Supreme Court appointment will make that task easier.

The task of the third generation is proclaimed in a book by that name, a compilation edited by Benjamin Hart of the Heritage Foundation. Its jacket cover is laden with blurbs. One is from Attorney General Edwin Meese, who writes, "The future is ours." Another is from President Reagan: "The greatest days of the conservative movement lie ahead... of the own people and of the other nations of the world." The Heritage Foundation's book is extraordinarily well equipped... to promote the issues and values that are the bedrock of our movement.

"Our movement?" It is impossible to think of a recent president using

those terms. Even among postwar Republicans, all traditional conservatives, the term "movement" was missing from their lexicon. Neither Dwight Eisenhower nor Gerald Ford spoke in those terms, and Richard Nixon, who understood the conservative movement, always rose above principle. But Mr. Reagan sees himself as the leader of the conservative movement. He is an ideologue, and the book for which he has supplied a blurb is starkly ideological. The liberalism that the second generation assailed, the third would shun. Among other things, it would prohibit abortion, restore prayer to the schools, deny civil rights protections to homosexuals, dismantle many welfare programs, and make divorce harder to obtain.

Sooner or later, some of these issues will be decided by the Supreme Court. With the retirement of Lewis Powell, that court now hangs in the balance. And yet Democrats in general, and those in the Senate in particular, shy from saying that they will apply an ideological yardstick to the person Mr. Reagan nominates as Justice Powell's successor. For some reason, this most

ideological of all presidents, the godfather of the "third generation," is to be treated as if he is not intent on advancing an ideological program. The person he nominates primarily for ideological reasons is supposed to be judged by other criteria.

To many Americans, the word "ideology" seems foreign — a vaguely European affectation, like drinking tea from a glass. But a glass at what? Some "third generation" members have in mind will tell you otherwise. Their ideology is not at all vague.

If "the movement" Mr. Reagan leads has its way, abortion would be banned. Rape victims, befuddled 13-year-olds, women carrying fetuses doomed by disease — all would be denied an abortion. Choice, that overused word, would be used no more.

Similarly, capital punishment, the American disgrace, would be expanded. The condemned, who now include the mentally feeble, might be extended to include juveniles as well. Prayer — not necessarily your own — might be returned to the schools, and the government's power to censor would be enhanced. In the conservative view, the public morality demands it.

There are not abstract issues like a return to the gold standard, but examples of how ideology affects everyday life. Supreme Court appointments are a clear way to implement and maintain an ideology. In fact, Supreme Court appointments are the only way a politically exhausted Reagan could influence the nation's future in 1986, could implement and perpetuate his ideology. It could seize the future at the very time it is losing the present.

There is ample precedent for the Senate to reject a Supreme Court nominee on ideological grounds. One out of every five nominees to the court has been rejected by the Senate.

If Mr. Reagan chooses an independent conservative in the Powell mold, the precedent of Senate rejection on the basis of ideology will not be an issue. But if he opts for a movement conservative, as Mr. Meese and others would like, then the Senate has the right to judge the nominee on the basis on which he was chosen: ideology. As the "third generation" knows well, that is what the fight is really about.

The Washington Post.

No Wonder the United Nations Hurts

By Juliana Geran Pilon

WASHINGTON — The United Nations is having financial problems. The point is, peeling the organization has not published a telephone directory since 1983 and there is general discontent among many delegates and all staff employees about the level of U.S. funding, which was trimmed by Congress in an effort to spur modest reforms.

But never mind austerity. The United Nations is still heroically in the business of doing what it does best: printing documents that turn reality on its head.

Bearing the impressive title of "International Year of Peace: Letter dated 6 March 1987 from the Permanent Representative of Czechoslovakia to the United Nations addressed to the Secretary-General," the latest foolishness is 107 pages long and consists of a one-page letter and two annexes.

Annex I is an "Appeal sent to the Secretary-General by the participants in the Conference of the Socialist Union of Youth of the Pedagogical Faculty of Charles University, Prague." It contains both a statement of support for the United Nations on the occasion of the UN-declared International Year of Peace and a bold summons to "a decade of peace."

The socialist youth of Charles University are especially appreciative of all that the Soviet Union has done to further peace.

Following three pages of signatures, there is another page of text with an "Appeal sent to the Secretary-General by the pedagogues, staff members and students of J.E. Purkyne University, Brno," another Czechoslovak institution of higher totalitarian learning.

This second appeal specifically

commends Mikhail Gorbachev, the Soviet general secretary, for his "historic new proposal" at the Reykjavik summit meeting. "In the aftermath of its own people and of the other nations of the world," the Purkyne University students and faculty say, "the United States must adopt a responsible approach to the discussion of all the basic questions relating to the preservation of life on our planet which the (Gorbachev) proposal contains."

And that's it for substance. The rest of the 100 pages of this "important" document is nothing but signatures. Lots and lots of signatures. Every department and subdepartment of J.E. Purkyne University has its own special page.

How much did the "Letter dated 6 March" cost the United Nations? The Secretariat states that processing costs alone were about \$650 per page. A State Department official estimates that printing and distributing a 107-page document would run about \$250,000.

No wonder the United Nations has to pick and choose carefully what it considers important enough to publish. Only a few months earlier, in November 1986, the under-

secretary-general for political and General Assembly affairs, William Buffum, pleaded financial constraints to defend his decision to print only parts of a report on human rights in Afghanistan. The report's annex was missing from the official French, Spanish, Chinese and Russian versions — appearing only in English, and then only in a very limited edition.

The annex documented brutality by Moscow's occupation forces on an appalling scale. It told how thousands of children have been killed by Soviet bombs disguised as toys, how gas and chemical weapons have been used against civilians and how prisoners at interrogation centers of the Moscow-controlled Afghan secret police, the Khabd, are routinely tortured.

According to the report's author, UN special rapporteur Felix Ermacora, professor of public law at the University of Vienna, additional accounts of atrocities were omitted to save space. Others were left out because further substantiation would have been desirable.

Perhaps the real reason the United Nations did not publish the report in full was to conserve money for more important documents — like the 107-page petition to Soviet Year of Peace Initiative, with its hundred pages of signatures.

Congress will undoubtedly keep that in mind as it goes through the appropriations process in the weeks ahead. We do want to be sure the United Nations has enough money to print as many signatures as it takes to promote world peace.

The writer is a policy analyst at the Heritage Foundation. She contributed this column to The New York Times.

A New Actor Enters the Pacific Stage

By Donald K. Emmerson

MADISON, Wisconsin — As Secretary of State George Shultz ended his tour of the Pacific rim last week, one thing was clear: Once the United States held undisputed sway in East Asia; now it must compete with Japan, China and, most recently, the Soviet Union, for influence in the region.

Almost a year ago, in a speech at the Pacific port of Vladivostok, Mikhail Gorbachev outlined the Soviet Union's campaign for increasing its influence throughout Asia. It is time that the United States looked beyond its trade woes with Tokyo and recognized that the Soviet Union has become a major player in the Pacific.

The United States seems unprepared to accept the Soviet Union as such. Suspicious of its motives, policy makers are used to viewing the Soviet presence in Asia mainly as a military threat. But today, the threat is as much diplomatic as military. The United States should respond to Soviet diplomatic moves not only with initiatives of its own but by developing a long-range conception of what the Soviet role in Asia should be.

Before Vladivostok, the Russians in Asia were their own worst enemy. The Kremlin's business seemed mainly to be refusing initiatives: refusing to pull back divisions massed on China's border.

The question is not whether Russia becomes a Pacific power, but when and how, and who will gain or suffer.

der; refusing to discuss the occupation of Afghanistan with China; refusing to discuss the status of the Soviet-occupied Kurile Islands with Japan, and refusing to heed the appeal by ASEAN — the Association of Southeast Asian Nations — for pressure on Vietnam to withdraw from Cambodia.

Mr. Gorbachev, however, has reversed the nay-saying style of his predecessors. To speed rapprochement with China, he has pulled some troops from Mongolia. Foreign Minister Eduard Shevardnadze has become a frequent traveler to Asia, including Japan, where he has explored the possibility of a path-breaking visit by his boss. In Southeast Asia, Soviet diplomats have tried to divide ASEAN over the issue of Cambodia by talking vaguely of a settlement while continuing to fund and arm Vietnam.

Through such moves, Mr. Gorbachev hopes at least to forestall a Chinese-Japanese-American-ASEAN alliance against the Soviet Union, and, if possible, to isolate the United States.

Moscow has stepped up its efforts to undermine and replace U.S. influence in other ways. It has endorsed a South Pacific nuclear-free zone, which Washington opposes. It has proposed to launch for Indonesia a communications satellite that the ill-fated U.S. space program could not put into orbit. It has volunteered to build a coal-fired power plant in the Philippines following the cancellation of a U.S.-financed nuclear plant. It has offered to purchase rice that Thailand has had trouble exporting to a world market swollen in part by U.S. surpluses.

The Russians want to be controlled by the United States on Pacific affairs. They feel a sense of entitlement in Asia. They want membership in Asian-Pacific organizations, and they want to become an official dialogue partner of ASEAN. To oppose all these overtures would offend U.S. policy with the negative impact that used to discredit the Russians. Washington should instead begin planning for the terms under which the Soviet Union can eventually be incorporated into Asia-Pacific, and therefore American, affairs.

A good place to begin this is the volatile Korean peninsula, where Washington, Moscow, Beijing and Tokyo share an interest in preventing North Korea from taking military advantage of Seoul's political unrest.

Unless Mr. Gorbachev is overthrown and the Soviet Union lapses into the self-absorption that has long disadvantaged it in world affairs, the question for the rest of this century and the next will be not whether the Soviet Union becomes an Asian-Pacific power, but when, how, and to the benefit or detriment of whom.

As Mr. Shultz and Secretary of Defense Casper Weinberger, who has been on an Asian-Pacific tour, assess their latest missions, they should be thinking about how and with whom America will share the Pacific stage.

The writer heads the Center for Southeast Asian Studies at the University of Wisconsin, in Madison. He contributed this column to The New York Times.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: 26 Tiring Ballots

BALTIMORE — The Democratic National Convention adjourned at 11 last night [June 29] until tomorrow. The position on the 26th ballot was: Champ Clark, 4634; Woodrow Wilson, 4076; Mr. Underwood, 1124; Mr. Fox, 43; Mr. Marshall, 30; Mr. Harman, 29; Mr. Bryan, 1. Total, 1,0864. To secure the Presidential nomination, 727 votes are required, and the deadlock can be relieved only by Mr. Clark's or Dr. Wilson's supporters giving way. The prospect is not encouraging, and dissatisfaction seems general. It takes more than half an hour to ballot, and there is an instance in 1890 at Charleston of a candidate being nominated only on the 37th ballot. The delegates, sad-eyed and withered, and the newspaper men "worn to a frazzle," took a good, long sleep today.

1937: Franc Is Floated

PARIS — The Chamber government was invested with plenary powers to deal with the financial crisis when the Senate, which had refused to bestow similar powers on the Blum cabinet, adopted the bill presented to the Chamber without any change by 162 votes to 82 [on June 30]. The bill had been passed by the Chamber by 374 votes to 206. After the Senate vote, the first decrees introducing the most sweeping financial reform France has known in years were submitted to the President for his signature. The first of these decrees transformed the gold-convertible franc into a "floating" currency unit with no definite gold value, and another raised the legal limit of advances that can be made by the Bank of France to the state by 15 billion francs, representing currency inflation by virtually its amount.

هكمان الأهرام

OPINION

Less Than Aghast at the Waldheim Visit

By William F. Buckley Jr.

NEW YORK — If I were the pope, I think I would have contrived a way to keep Kurt Waldheim away from the Vatican. I say I think I would have done so because a case can be made against turning down Mr. Waldheim, and that case evidently prevailed in the thinking of Pope John Paul II.

Here is one way to put it. As chief of state (the pope has that title also, as Prince Rainer has it in Monaco), let alone as the head of the largest religious denomination in the world, the pope feels obliged to receive other chiefs of state or world figures. In doing so he needs to guard against creating, de facto, a scale of objectionability. Let us assume a 100-point world in which Hitler was chief of one state and Mother Teresa of another. Let us suppose that in this world, leaders regressed in moral civility in roughly equal increments, from Mother Teresa's scale of No. 1 to Hitler's of No. 100. The question arises: When ought a chief of state to say, in effect, "I will receive chiefs of state up until objectionability No. 60, but will go no further?"

The trouble with that position is several times obvious. In the first place, as Dr. Johnson observed when asked to compare the achievements of two bad poets, there is no settling the point of precedence between a louse and a flea. There will always be a lobby, and it may be entirely persuasive, contending that No. 59 is really worse than No. 60.

A second problem is that of declining to see the chief of state, however obnoxious, who sports a bandolier of nuclear weapons. Chamberlain did not visit Hit-

ler because of any sense of fraternity, but because of the Nazi's military strength. Now in recent years (as in recent millennia) the popes have received quite scurrilous people. One recalls the shock when Pope John XXIII received the son-in-law of Nikita Khrushchev, Alexei Adzhubei, editor of *Izvestia*, was objectionable not only on the grounds that he was married to the chief butcher's daughter, but on the grounds that, as editor of the principal Soviet daily, one of his duties was to feed the anti-religious fires, which he did with a great passion. Pope John Paul II also received Yasser Arafat, known in the West as the terrorist who prolongs the agony in the Middle East by refusing even to recognize the legitimacy of the state of Israel.

But why pick on the pope? During this same period presidents of the United States received Mr. Khrushchev, and Leonid Brezhnev, as well as Romania's Nicolae Ceausescu and Bulgaria's Todor Zhivkov. Not only received them but uttered diametrically opposite things about them as, indeed, Richard Nixon had done in China, addressing Mao Zedong and Zhou Enlai — who, in their 70s and presiding actively over the Cultural Revolution, were more threatening than a 27-year-old Austrian Nazi.

By what standards is the pope to be judged? By America's own? A month or

so back, the prestigious Council on Foreign Relations in New York had a session "in honor of" General Wojciech Jaruzelski of Poland, at the very least the equivalent of Hitler's Pierre Laval. And who else recently received General Jaruzelski, the principal oppressor of his Polish homeland? John Paul.

What astonishes me is the sense of insecurity given out by some members of the American Jewish community, of which the most conspicuous recently has been Professor Arthur Hertzberg of Dartmouth, writing for *The New York Times* under the headline, "Jews Are Aghast at the Pope's Invitation to Waldheim" (1B7, June 23). Surely the first question to ask is: Is the reception given to Mr. Waldheim a sign of inherent toleration by the bishop of Rome of atrocities committed against the Jewish people? It is so self-evidently not the case that one's instinct ought to be to exclude that possibility out of hand.

The world Jewish community honors its dead by refusing to let the world forget what happened to them. But it does not enhance their martyrdom to insinuate that one more audience by the pope to one more chief of state has the effect of keeping lit the fires of genocide. John Paul received in audience a man who tried to kill him and very nearly did so. That was a pastoral, not a diplomatic, mission; but it suggests the character of the man who received the chief of state of the Austrian people, and a knowledge of his character ought to leave us, Jews and non-Jews, less than aghast at the episode.

Universal Press Syndicate.

ON THE RIGHT

gious fires, which he did with a great passion. Pope John Paul II also received Yasser Arafat, known in the West as the terrorist who prolongs the agony in the Middle East by refusing even to recognize the legitimacy of the state of Israel.

LETTERS TO THE EDITOR

Glasnost Is Real, and It's Only a Part of What's Going On

Stephen Rosenfeld's "Glasnost: You Have to Read the Footnote" (June 22) is a good illustration of the U.S. press's tendency to latch on to words and then beat them to death until they lose all depth of meaning and become an obscuration of the issue at hand.

Glasnost (the apostrophe is essential to correct transliteration) is not the only word used in Russia to describe the changes that are being attempted by the current administration. If one is not convinced of this by reading the Russian press, then one becomes quickly informed on a trip there.

In February and March, we of the U.S. Nuclear Regulatory Commission delegation were amazed at the variety of new expression — impossible just 18 months ago — that we encountered in Moscow, Leningrad, Energoatom, Krasnodar and Belyarsky in the Urals region. And in contrast to past practice, we missed something also — any heroic portraits of Mikhail Gorbachev accompanied by loud and sterile slogans.

The other words that seem to be keys to the current situation are "restructuring" (of the society and the economy), "democratization," "initiative," "public opinion" and others in various combina-

tions unknown in the Russian ambience of the past decades.

This is not to say that the Soviet Union is becoming a democracy on the American or British models. Nor would this necessarily be desirable or achievable, given the history and culture of the country. But remarkable attempts at positive changes are occurring. "mistakes" of the past are under discussion and ways for correction are being sought. The results of this fascinating process are unpredictable — there are dark, racist/fascist forces at work also — but I know of no comparable parallel in recent history, and trying to include it all in one word is stupid and shallow.

JOSEPH LEWIN.

It was entirely foreseeable that American journalists would try to make capital out of heaping doubt on the useful and hopeful meaning of *glasnost*. Such seems to be the case with Mr. Rosenfeld.

Perhaps he could apply his mind to seeking links between Soviet and Western ideology so that both sides could move toward a common conception, replacing the stubborn divisiveness of East-West confrontation. Something must be

changed on one side or the other, or more likely, on both.

EDWARD G. MACFARLANE.

Dundee, Scotland.

The Record of the FAO

The report on the UN Food and Agriculture Organization by Paul Lewis, "Campaign to Replace FAO Chief Widens" (June 16), is misleading and contains a number of unfortunate errors.

The United States is far from accusing the director-general of "mismanaging the organization." To the contrary, the U.S. government has often been supportive of Edouard Saouma's prudent management. A U.S. official in Rome recently told *The Associated Press*: "We feel the director-general has done a good job in 12 years, particularly with respect to managing the finances of the organization, particularly in respect to reducing the share of personnel costs." This view is shared by an overwhelming number of FAO's 158 member states.

FAO's management is regularly scrutinized by the organization's finance and program committees and governing bodies such as the executive Council and the Conference, with the United States and other Western nations as members. They have not detected any "misman-

agement." Neither has the external auditor (currently the comptroller and auditor-general of the United Kingdom), who maintains his own regular staff at FAO and reports directly to FAO's member governments. Nor has the U.S. General Accounting Office, which has visited FAO several times in recent years, including 1986.

The first time we heard that the United States or other nations considered the director-general as "pursuing anti-Western policies" was in Mr. Lewis's story. Such an issue has never arisen because it does not exist. Instead, the policy is to help raise food production in the developing world according to priorities and programs approved by FAO's members from all parts of the world. In fact, FAO is often singled out as a neutral forum devoid of ideological confrontations.

It is not true that FAO has "\$1 billion in pledges from donor countries for food programs it administers." Mr. Lewis is confusing our organization with the World Food Program.

RICHARD LYDIKER.

Director, Information Division.

FAO, Rome.

In the year of commemoration of the Marshall Plan, to which the Reagan administration has attached great impor-

tance, America's failure to provide funds for the UN Food and Agriculture Organization must be seen as a new low in rendering assistance to those in dire need. The FAO lists the United States as a debtor for millions of dollars of past and current dues. The administration should give less lip service to past events and make a more concrete effort to resolve the serious problems of today.

EDWARD J. FREEMAN.

Rome.

Rogers Was Out of Line

Regarding the report "NATO Chief Sees Political Motivation in White House Drive for Arms Pact" (June 19):

I was astonished to read the comments of General Bernard Rogers, the since-retired NATO commander, who apparently feels it is his duty to sabotage the U.S.-Soviet arms control negotiations in spite of the wishes of the alliance's member states.

No doubt General Rogers had made his views known to his superiors in the United States and to the military and civilian leaders of other NATO countries, whose foreign ministers now have formally rejected his advice by endorsing the "double-zero" proposal. Not satisfied with the traditional process of

constitutional government, he has undertaken a campaign of public lobbying designed to undermine their decision.

Equally disturbing is the substance of his remarks. General Rogers has shown himself to be remarkably out of touch at a time when the world desperately seeks relief from the threat of nuclear annihilation, when a recent poll shows West Europeans to believe that Mikhail Gorbachev is a more responsible custodian of nuclear weapons than is President Reagan, and when a rare consensus has developed among citizens and leaders in the West in support of this policy.

RICHARD J. RUBIN.

London.

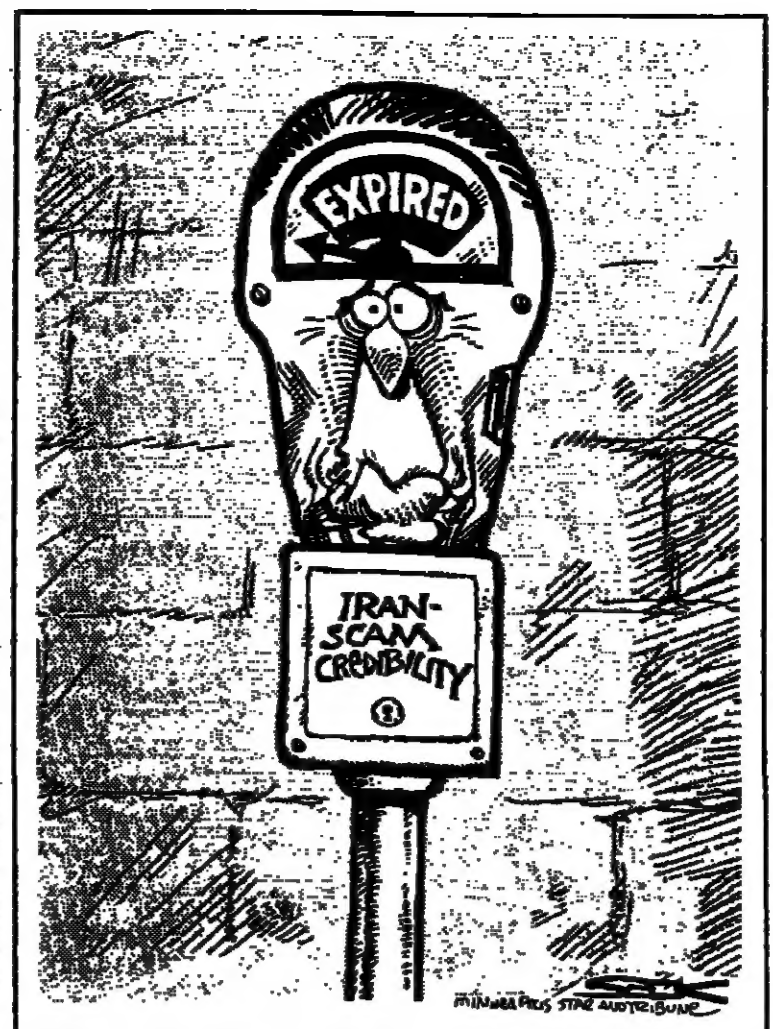
What About the Fathers?

The report "Marine General Warns of Weakened Morals" (June 27) cites General Paul X. Kelley's belief that "American mothers who work and send their children to 'faceless' centers rather than stay home to care for them are weakening the moral fiber of the United States." But almost 100 percent of fathers work today. Why don't a few more of them stay home and look to their children's upbringing?

KATHERINE CLARK.

Heidelberg, West Germany.

The Washington Post.



The City Revisited: Beware Of Mickey the Pit Mouse

By Tom Shales

LOS ANGELES — This is the city. Los Angeles, California. But this is not the city it used to be.

Hollywood has always been considered a cruel town, and been almost proud of it. Hearts were broken here. Now, hearts are. It's sad for a longtime visitor to observe a nasty new meanness that seems to have overrun the L.A. sprawl. People don't

MEANWHILE

appear to be going bananas here in the cheerful, easygoing ways they once did.

The reason so many violent, gory horror movies are made these days may be that Hollywood producers feel they must offer something more terrifying than what is seen on the local evening news. It isn't easy. The past month here has been one ghastliness after another.

One L.A. story that seemed to dramatize the new ugliness in the air involved a blind woman and her guide dog, both nearly trampled to death by crazed passengers on a Sunset Boulevard bus. The woman was knocked to the floor by a deranged man and, instead of going to her aid, the other passengers stampeded.

The woman managed to crawl to the door of the bus and, once it had stopped, out onto the sidewalk. She was bruised and bleeding, but no one offered assistance. So the woman and dog struggled the 15 blocks to her home. She later told a

reporter, "It was like a nightmare where you scream and no sound comes out."

Later in the month, KCBS-TV had a grisly coup for its viewers: taped coverage of a pit bull attack. Pit bulls are vicious dogs trained to maim, a charming wrinkle in American violence. A KCBS cameraman was on the scene when a city animal-control officer, a young woman, called on a pit bull owner to investigate a previous attack.

After ranting at the officer, the woman who owned the dog let it loose, and it made straight for the officer, first gnawing her hands between its jaws, then lunging again at her and puncturing a breast. This was frightening to watch. But it was also a little frightening the way KCBS kept replaying the tape. Then it showed up the next day on the national network's news.

At KCBS, an anchorwoman insisted that the cameraman had tried to pull off the dog. But it would seem difficult to do that while still capturing the whole dreadful encounter on tape. KCBS, like many CBS-owned stations, has lousy news ratings. Maybe this helped.

On the same night's program there was another cheerful item. A man driving on the freeway was tailgating a car he wanted to pass. Increasingly infuriated, he finally got around it and, to express his anger, took out a gun, shot the other driver and killed him. Not much was made of this story, so perhaps this sort of thing isn't all that uncommon.

Every city has its horror stories, and Los Angeles may merely have replaced New York as the most visible violent crime center in the United States. But in New York one can still sense a kind of besieged camaraderie among the populace. In Los Angeles that does not exist. It's a giant bumper car game in which the bumper cars now seem to be armed with heat-seeking missiles.

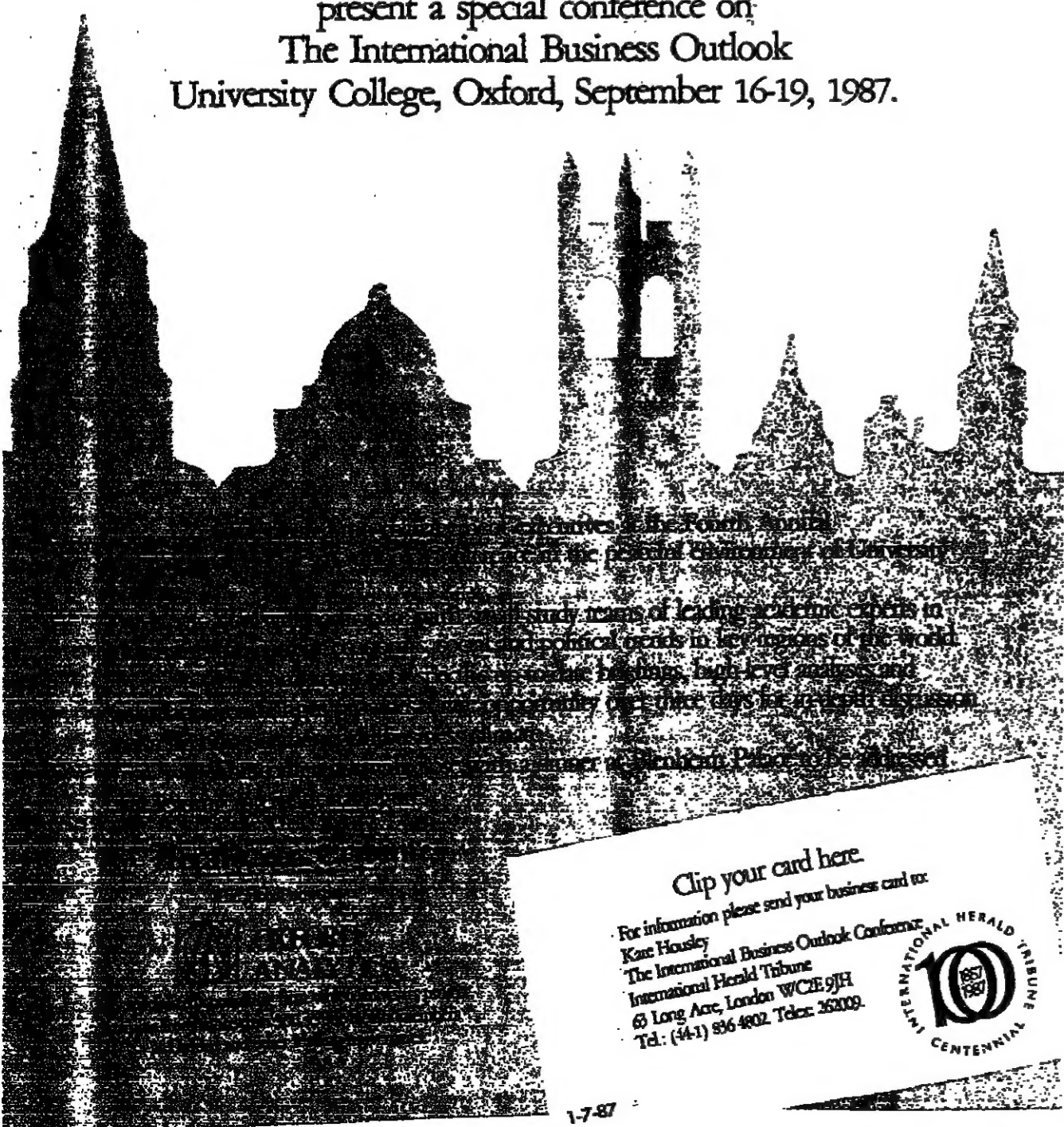
Is it disconcerting that America gets its fantasy fixes from here? That may not be a problem much longer. The city of Los Angeles has grown increasingly inhospitable to the movie industry that put it on the map, and production costs have escalated astronomically. More and more productions are being shot in other cities, where conditions and economics are more conducive. Toronto may be, in 10 years, what Hollywood was in its prime.

A strike by the Directors Guild appears all but inevitable this summer, which will shut down production. Actors who do voices for animated cartoons already are striking. An advertisement in a Hollywood trade paper offers jobs at Disney for nonunion actors willing to take them, and in the ad there is a picture of Mickey Mouse, smiling and waving. Imagine, this cute and beloved character propped up to beckon aspiring scabs. Yes, they have managed to turn dear little Mickey into the corporate equivalent of a pit mouse.

The Washington Post.

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Gr. Britain £	130	72	40	£ 0.19	£ 69
Greece Dr.	22,000	12,000	6,600	Dr. 49.56	Dr. 18,040
Ireland £.Ir.	150	82	45	£.Ir. 0.29	£.Ir. 106
Italy Lire	380,000	210,000	115,000	Lire 756	Lire 275,200
Luxembourg L.Fr.	11,500	6,300	3,400	L.Fr. 18.41	L.Fr. 6,700
Netherlands Fl.	650	360	198	Fl. 1.21	Fl. 440
Norway* N.Kr.	1,800	990	540	N.Kr. 3.05	N.Kr. 1,110
Portugal Esc.	22,000	12,000	6,600	Esc. 64.56	Esc. 23,500
Spain* Ptas.	29,000	16,000	8,800	Ptas. 55.33	Ptas. 20,140
Sweden* S.Kr.	1,800	990	540	S.Kr. 3.05	S.Kr. 1,110
Switzerland S.Fr.	510	280	154	S.Fr. 1.10	S.Fr. 400
Rest of Europe, North Africa, former French Africa, Middle East \$	430	230	125	Varies by country	
Rest of Africa, Gulf States, Asia \$	580	320	175		

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ARTS / LEISURE

Alan Bates Slices Off 'Melon'

By Sheridan Morley
International Herald Tribune

LONDON — Of the six Simon Gray scripts which have starred Alan Bates on stage or television in the past 15 years, "Melon" is by far the darkest. The story of a

THE LONDON STAGE

successful publisher suffering a nervous breakdown when he discovers the identity of his wife's lover, it starts in the comparatively easy world of publishers and teachers and journalists tied together by university memories and comfortable jobs, a world where a gift for speaking and writing the English language is a passport to careers and dinner parties, and an elegantly casual sexual and social life somehow totally cut off from people with real feelings.

Melton's best friends are a gay psychiatrist, a television interviewer and an office colleague retained as a helpless stooge. His wife is also in television, and their marriage is held together by a vague arrangement that they should both be free to seek sexual pleasure elsewhere as well as at home. For Melton, that simply means regular encounters with mobile office girls. For his wife, edgily well played by Carole Nimmans, it means an eight-year affair with one of his best friends.

Nobody has ever played the semi-detached Gray figure better than Bates, and nobody knows more about how to convey galloping intellectual disintegration across the footlights. The problem with "Melon," however, is that the supporting characters so vital for him to bounce off in the earlier plays have here become mere sexual suspects, while Melton's own collapse at the concept of cuckoldry seems oddly out of character for a man to whom even that has been

just another word. Gray acknowledges the play's inspiration in an autobiography by Stuart Sutherland, and the terror of firm ground suddenly opening at the feet of a professional survivor is brilliantly conveyed by Bates, but in Christopher Morahan's production the flashbacks, the nightmares, the memory-merging tricks somehow fail to add up to a narrative in which we care enough about the fate of its participants.

If you had told T.S. Eliot that two decades after his death two London theaters would be occupied with his work though neither of them staging his plays, he might have been a little surprised. But for those who prefer his poems untouched by cuts or even "Cats," the Lyric on Shaftesbury Avenue now has "Let Us Go Then, You and I" in which three actors (Edward Fox, Eileen Atkins and Michael Gough) read his work while a guest narrator (this week Christopher Cazenove, next week Jean Marsh) outlines his life and times from the Peter Ackroyd biography.

The result is a stately academic and arid evening that might have worked wonderfully on radio but lacks any kind of real dramatic tension across the footlights. We are introduced to some of the early and less familiar satirical verse as well as "The Hollow Men" before the company settles down to reading "The Waste Land" and, after the intermission, the "Four Quartets" in their entirety. Though there are tantalizing moments (notably when Atkins and Fox do "Portrait of a Lady") when it appears that we might be going to get a production after all, it soon becomes clear that what we have here belongs on a cassette rather than a stage. The result is a treat for Eliot purists, if unlikely to rescue Shaftesbury Ave-

nue from its present rather moribund condition.

In another strong week for the return of early plays by our leading dramatists, we have the English Theater of Vienna to thank for a Pinter double-bill which has now come to the Young Vic for a month. In a swift and sure production by Kevin Billington, it consists of "The Lover," written in 1963 for television, and "A Slight Ache," written four years earlier for radio. The logic of linking them together in the theater is perhaps based on the notion that both are concerned with country-house marriages in varying states of disrepair, both are about sexual fantasies and both are about the territorial imperative.

But all that really matters is that they both work, though admittedly "The Lover" has stood the test of a quarter century rather less well than its partner and has a habit now of sounding more like a Pinter parody than a Pinter play. Set somewhere outside Windsor, it tells of an apparently happy and respectable married couple (Simon Williams and Judy Buxton) who spend their afternoons disguised as a lower and a whore in order to achieve the sex life that is curiously denied to them when they are being themselves. More of a sketch than a one-act play, this is a study of the sexual games people play and of the appalling moment when the games overtake the reality. Both players manage well the lightning switches from respectability in the mornings and evenings to eroticism in the afternoons.

For "A Slight Ache" we are in the company of a slightly older and more affluent married couple (Barry Foster and Jill Johnson), into whose equally stereotypical lives there erupts an old, silent and bedraggled matchmaker. It is of course

possible that he is death, or fate, or some appalling figure from their past. Then again, he could just be an old, silent and bedraggled matchmaker. Whoever he is, he gradually manages to reduce the husband to a state of total collapse while arousing in the wife sexual desires clearly unrealized in her marriage.

This is a vastly funnier play than "The Lover," and though its current casting is no match for the Emlyn Williams-Richard Briers-Alison Leggatt stage original, I would not have missed the angry exaltation with which Foster greets the news that it is the longest day of the year, nor yet the cascading graciousness with which Johnson interviews the tramp who is to take over their lives and home.

On the Tom Stoppard front, after the return of "Rosencrantz and Guildenstern Are Dead" the Andrew Previn season at the Queen Elizabeth Hall brought us another look at "Every Good Boy Deserves Favour," last seen in London 10 years ago. A party piece to be played at concert pitch by six actors and a 30-piece orchestra, it is made up of short Stoppard scenes divided by longer sequences of Previn's music and deals with two inmates (Peter McEnery and Michael Feast) of a Soviet mental home. One is there because he thinks he owns an orchestra, the other because he has dared to write to Pravda reminding that some of his best friends have been locked up in asylums while exhibiting no signs of actual madness. After a series of interviews with an equally bemused doctor (John Bird), both men are released because of a confusion of identity. Rosencrantz and Guildenstern are alive and well and living behind bars.

The orchestral jokes by Stoppard



Alan Bates as Mark Melton in Simon Gray's "Melon."

are still a joy: "The cellos are rubbish, the Jew's harp has applied for a visa, and if you had to find a word for the happiest it would be plucky." But Jonathan Myerson's production still had to deal with a play for concertgoers and a concert for players, a mixed-media event which, while by no means totally outdated by *glamour*, still suffers from the constraints of its vastly ambitious form.

At the Half Moon on the Mile End Road, Julia Schofield's "Love on the Plastics" is an untidy but often acutely observant play set in a red-plush Mayfair nightclub and largely concerned with the lives of the hostesses-prostitutes who make their money fleeing customers of their credit-card wealth in return for promises of later sexual favors. Taking his theme from Fay Weldon, Schofield is a way out, not a pass down. Schofield looks at eight women working at the club and their various motives for being there.

Upstairs and unseen is the club owner, a shady character determined to take his VAT bills off what might well be called the girls' gross profit, while downstairs in the restaurant are two glib clients (Michael Elwyn and Nicholas Day, both offering endlessly aw-

U.S. Sopranos' German Season

By James Helme Sutcliffe

LATE June was the season for L American sopranos in three of West Germany's opera houses. In works ranging across a century of music, from Donizetti via Puccini to Richard Strauss, they displayed thoroughness of training, command of musical styles, dedication and courage in attacking demanding roles nobody would have associated them with five years ago.

Karen Armstrong studied with Lotte Lehmann in California and sang Italian repertoire all over the United States before coming to Europe in 1976. Her German debut as Strauss' "Salome," in 1977 in Stuttgart, was her first production with her future husband Götz Friedrich as director. He is now the Intendant of West Berlin's Deutsche Oper, and it was there that Armstrong first appeared in her husband's "Ring" production last April, her performance of Sieglinde sending the critics in search of superlatives.

Both returned to Stuttgart on June 14 for a new and controversial production of "Die Frau ohne Schatten." Armstrong's performance as the Dyer's Wife, one of the longest and most strenuous roles for youthful dramatic sopranos, was received jubilantly by the Stuttgart audience, in contrast to the over-elaborate and wryward anti-war staging that Friedrich and his designer, Peter Sjöström, set in 1914-1916 Vienna, the period when the work was being created. Higo von Hofmannsthal's fairy-tale allegory on the duties and problems of marital love was dropped in favor of a liberal depiction of the Austrian emperor contrasted with his poverty-stricken subjects in a gloomy, half-bombard Vienna residence — although Vienna was not bombed during World War I. "Die Frau ohne Schatten" can be seen until July 3 and remains in the repertoire next season.

Bielefeld's tiny opera house, the scene of some spectacular recent revivals of rare works, returned to more traditional fare with one of Donizetti's dramas of love and intrigue in Elizabethan England, "Roberto Devereux," on June 16. The role of the aging Queen Elizabeth I demands a brand of dramatic coloratura perfection that few sopranos possess. Young Christine Weidinger took the part with overwhelming vocal and dramatic virtuosity, recalling the soft walk and jerky head movements of Bette Davis in the '30s Hollywood epic with

Enrol Flynn as Robert Devereux, the Earl of Essex (ringingly sung in Bielefeld by James O'Neal). She proved herself a worthy inheritor of the role, particularly in the final scene, without wig as a haggard, world-weary, white-haired old woman who has gambled and lost in love. The last of 11 performances, in a simple but effective production of Kai Braak that concentrated all the singers' resources on the drama, takes place on July 9.

In West Berlin, the Deutsche Oper unveiled a stunningly simple new production of "Madama Butterfly," designed and directed by Pier Luigi Samaritani. The predominance of white drapes on stage and the white paper panel windows of the tiny wooden house at the footlights, allowed the co-



Christine Weidinger in "Roberto Devereux."

times to glow. In a distinguished cast, Catherine Malfitano made her Berlin debut singing Puccini's put-up heroine for the first time. Tender but resolute, fragile yet courageous, Malfitano's flinty gleam brought something rare to the title role, a singer with a slim figure who almost looks the age her role is supposed to be — 15. Whirling in her death-agony, she pulled down the canopy above the statue sitting to slouch home in white, just as each act had begun, and the audience went wild. The performance was electrifyingly conducted by Giuseppe Sinopoli, the company's music director designate.

Though Berlin's 25th anniversary season ends on July 4, this unorthodox but beautiful "Butterfly" will be seen during the Berlin Festival on Aug. 30 and Sept. 1, and throughout the next season — a season, incidentally, that celebrates the 75th anniversary of the Charlottenburg Opera, on whose bombed-out site the Deutsche Oper was built.

James Helme Sutcliffe is a Berlin-based critic and musician.

DOONESBURY



NYSE Most Actives	Vol.	High	Low	Last	Chg.
AT&T	1161	32 1/2	32 1/2	32 1/2	+ 1/4
IBM	1015	101 1/2	101 1/2	101 1/2	+ 1/4
Verizon	915	24 1/2	24 1/2	24 1/2	+ 1/4
Microsoft	815	24 1/2	24 1/2	24 1/2	+ 1/4
Intel	715	24 1/2	24 1/2	24 1/2	+ 1/4
Oracle	615	24 1/2	24 1/2	24 1/2	+ 1/4
Sun	515	24 1/2	24 1/2	24 1/2	+ 1/4
HP	415	24 1/2	24 1/2	24 1/2	+ 1/4
Motorola	315	24 1/2	24 1/2	24 1/2	+ 1/4
Amgen	215	24 1/2	24 1/2	24 1/2	+ 1/4

Market Sales	NYSE 4 p.m. Volume	NYSE 4 p.m. Value	NYSE 4 p.m. Trades
NYSE 4 p.m. Volume	145,800,000	1,072,000,000	1,072,000,000
NYSE 4 p.m. Value	145,800,000	1,072,000,000	1,072,000,000
NYSE 4 p.m. Trades	145,800,000	1,072,000,000	1,072,000,000

NYSE Index	High	Low	Close	Chg.
NYSE Index	1727 1/2	1704 1/2	1719 1/2	+ 1 1/2
NYSE Index	1727 1/2	1704 1/2	1719 1/2	+ 1 1/2
NYSE Index	1727 1/2	1704 1/2	1719 1/2	+ 1 1/2

Tuesday's NYSE Closing	Open	High	Low	Last	Chg.
Tuesdays NYSE Closing	1727 1/2	1704 1/2	1719 1/2	1719 1/2	+ 1 1/2
Tuesdays NYSE Closing	1727 1/2	1704 1/2	1719 1/2	1719 1/2	+ 1 1/2
Tuesdays NYSE Closing	1727 1/2	1704 1/2	1719 1/2	1719 1/2	+ 1 1/2

AMEX Diary	Class	Prev.
AMEX Diary	1727 1/2	1704 1/2
AMEX Diary	1727 1/2	1704 1/2
AMEX Diary	1727 1/2	1704 1/2

NASDAQ Index	Class	Prev.
NASDAQ Index	1727 1/2	1704 1/2
NASDAQ Index	1727 1/2	1704 1/2
NASDAQ Index	1727 1/2	1704 1/2

AMEX Most Actives	Vol.	High	Low	Last	Chg.
AMEX Most Actives	1161	32 1/2	32 1/2	32 1/2	+ 1/4
AMEX Most Actives	1015	101 1/2	101 1/2	101 1/2	+ 1/4
AMEX Most Actives	915	24 1/2	24 1/2	24 1/2	+ 1/4

Dow Jones Bond Averages	Class	Prev.
Dow Jones Bond Averages	1727 1/2	1704 1/2
Dow Jones Bond Averages	1727 1/2	1704 1/2
Dow Jones Bond Averages	1727 1/2	1704 1/2

NYSE Diary	Class	Prev.
NYSE Diary	1727 1/2	1704 1/2
NYSE Diary	1727 1/2	1704 1/2
NYSE Diary	1727 1/2	1704 1/2

Odd-Lot Trading in N.Y.	Buy	Sales	%Vol
Odd-Lot Trading in N.Y.	1727 1/2	1704 1/2	1719 1/2
Odd-Lot Trading in N.Y.	1727 1/2	1704 1/2	1719 1/2
Odd-Lot Trading in N.Y.	1727 1/2	1704 1/2	1719 1/2

Dow Jones Averages	Open	High	Low	Last	Chg.
Dow Jones Averages	1727 1/2	1704 1/2	1719 1/2	1719 1/2	+ 1 1/2
Dow Jones Averages	1727 1/2	1704 1/2	1719 1/2	1719 1/2	+ 1 1/2
Dow Jones Averages	1727 1/2	1704 1/2	1719 1/2	1719 1/2	+ 1 1/2

Standard & Poor's Index	High	Low	Close	Chg.
Standard & Poor's Index	1727 1/2	1704 1/2	1719 1/2	+ 1 1/2
Standard & Poor's Index	1727 1/2	1704 1/2	1719 1/2	+ 1 1/2
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NASDAQ Diary	Class	Prev.
NASDAQ Diary	1727 1/2	1704 1/2
NASDAQ Diary	1727 1/2	1704 1/2
NASDAQ Diary	1727 1/2	1704 1/2

AMEX Stock Index	High	Low	Close	Chg.
AMEX Stock Index	1727 1/2	1704 1/2	1719 1/2	+ 1 1/2
AMEX Stock Index	1727 1/2	1704 1/2	1719 1/2	+ 1 1/2
AMEX Stock Index	1727 1/2	1704 1/2	1719 1/2	+ 1 1/2

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Down on Profit-Taking

NEW YORK — Wall Street was hit by profit-taking Tuesday and stocks closed out the first half of an exceptionally strong year on a down note.

A preponderance of bearish factors, including weak bond and dollar markets and a depressed Tokyo stock market, prompted investors to sell.

The Dow Jones industrial average closed 28.38 points lower at 2,418.53. Earlier, it was down more than 35 points.

"The market is showing that it is nervous and wobbly and the trigger to the selling may have been an inaccurate report at midday that the U.S. Embassy in Kuwait was bombed," a market strategist, Robert Stovall, of Stovall/Twenty First Advisors said.

Declines led advances by a two-to-one margin as volume rose to a moderate 166 million shares from 142 million traded on Monday.

"It is too bad for the money managers of this world that the second quarter is going out on a soft spot," Mr. Stovall said. "It gives them a little bit of a reduced report card."

Nevertheless, he said, the first half of the year, with the Dow rising almost 523 points, "was better than most people thought likely."

Michael Metz, an analyst with Oppenheimer, said that Wall Street's rally in the past two weeks "was suspect because the breadth and volume were not very strong."

"So today the market was looking for an

excuse to go down and it seized on a number of factors," he said.

Among the negatives was a third straight decline in the Tokyo exchange.

"This is a big emerging negative," he said. "Many people are depending on the Japanese investment, but with weakness over there, it is unlikely they will be rushing into our market."

Mr. Stovall said: "If something goes wrong in the Japanese market, the first thing they do is bring their assets home, and that could cause a major problem for U.S. exchanges."

He noted that foreign buying was at an annualized rate of \$40 billion in the first quarter of this year and could end the year at an annualized rate of \$60 billion, compared with \$18 billion of foreign buying in 1986.

Santa Fe Southern Pacific, the most active share, was up 4 to 53 1/2. It said it would begin a restructuring following the government's refusal to reconsider a previous rejection of the merger of Santa Fe Industries and Southern Pacific Corp.

Kansas City Southern Industries said it will bid for Southern Pacific within 60 days. Kansas City Southern's stock rose 1 1/2 to 58 1/2.

Burlington Northern Inc., another major railroad holding company that said it was interested in acquiring parts of Santa Fe's business, soared 5 1/2 to 82 1/2.

In the oil group, Exxon fell 1/2 to 93 1/4, Occidental Petroleum 1 to 37 1/4, Amoco 1 1/4 to 87 1/4, Mobil 1/2 to 50 1/4.

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NYSE Most Actives	615	24 1/2	24 1/2	24 1/2	+ 1/4
NYSE Most Actives	515	24 1/2	24 1/2	24 1/2	+ 1/4
NYSE Most Actives	415	24 1/2	24 1/2	24 1/2	+ 1/4
NYSE Most Actives	315	24 1/2	24 1/2	24 1/2	+ 1/4
NYSE Most Actives	215	24 1/2	24 1/2	24 1/2	+ 1/4

NYSE Most Actives	Vol.	High	Low	Last	Chg.
NYSE Most Actives	1161	32 1/2	32 1/2	32 1/2	+ 1/4
NYSE Most Actives	1015	101 1/2	101 1/2	101 1/2	+ 1/4
NYSE Most Actives	915	24 1/2	24 1/2	24 1/2	+ 1/4
NYSE Most Actives	815	24 1/2	24 1/2	24 1/2	+ 1/4
NYSE Most Actives	715	24 1/2	24 1/2	24 1/2	+ 1/4
NYSE Most Actives	615	24 1/2	24 1/2	24 1/2	+ 1/4
NYSE Most Actives	515	24 1/2	24 1/2	24 1/2	+ 1/4
NYSE Most Actives	415	24 1/2	24 1/2	24 1/2	+ 1/4
NYSE Most Actives	315	24 1/2	24 1/2	24 1/2	+ 1/4
NYSE Most Actives	215	24 1/2	24 1/2	24 1/2	+ 1/4

MADISON AVENUE

Swiss Watchmaker Takes Time to Create a Distinction

By PHILIP H. DOUGHERTY
New York Times Service

NEW YORK — Cappiello & Chabrow Inc. is running a magazine advertising campaign for Rado watches that it says is different from most of high-priced watch advertising. Each ad uses one live model surrounded by a group of plaster cast sculptures to support the headline. "You don't fit the mold. Why should your watch?"

The copy block, short and to the point, notes Rado's two consumer benefits: that it is scratch-proof and that it is the only watch "anatomically curved to the wrist," certainly a blessing to all those folks complaining of aching wrists from ill-fitting watches.

The Rado is a high-priced Swiss watch from the SMH Group, which also produces such well-known brands as Omega, Hamilton, Certina and Tissot.

The tentative fall media schedule calls for the campaign to run in 28 publications, mostly in fashion, travel, and in-flight magazines as well as Forbes and Art & Antiques. In other words, a million in which watches with price tags of \$850 to \$3,300 will not seem ostentatious.

Terry Chabrow, 37, president of the Cappiello & Chabrow agency, said it had become increasingly difficult for high-priced watches to find simple display space in quality journals. Like supermarket chains, jewelers must be impressed with a manufacturer's promotion plans before giving up shelf space.

The agency's chairman, Tony Cappiello, 54, a longtime art director, began working on Heller in 1964 when he was a principal in Reis, Cappiello, Colver (now Trout & Reis). And it was one of the accounts that followed him and his copywriting associate, Mr. Chabrow, when they set up their own shop.

Cappiello & Chabrow, seven years old and with estimated 1987 billings of \$15 million, is in a particularly important phase of its formative years. It recently moved from a midtown office building to a five-story house of its own downtown.

While the century-old building is being overhauled, the 18-member agency work force is all crammed together in the main-floor storefront. And instead of bemoaning their fate, they have enjoyed the close quarters so much that the plans for the upper floors have been changed to allow continued close contact.

Clarke Hooper PLC, Britain's leading sales promotion company, has purchased Joseph Potocki & Associates, which is in the same line of work in Newport Beach, California.

Potocki opened an East Coast office in Edison, New Jersey earlier this year. It serves such clients as Beatrice, Hunt-Wesson Foods, Kellogg and Allergan Pharmaceuticals.

The British company, with offices near London and in Edinburgh, acquired the Marketing Promotion Group in Toronto in April.

Burson-Marsteller, the huge public relations subsidiary of Young & Rubicam, has made a deal with a Spanish news agency that should enhance its coverage of Latin America.

Working with the Madrid-based EFE Spanish-language news agency, the public relations firm will initiate a public relations news wire that will transmit by satellite to 21 Latin American cities. Additionally, Burson-Marsteller offices will use the system to send information to clients back from those markets.

People

Gregory J. Rathjen has joined Henderson Advertising of Greenville, South Carolina, as senior vice president and director of research and strategic planning.

M. Douglas McClatchy has been named executive vice president and executive creative director of the Earle Palmer Brown Companies of Bethesda, Maryland.

John Blaney has been elected to the board of Ogilvy & Mather Worldwide.

ICC Says No to Rail Merger

Santa Fe Plans Sale of Units

Compiled by Our Staff From Dispatches

WASHINGTON — The Interstate Commerce Commission refused on Tuesday to reconsider the proposed merger of the Santa Fe and Southern railroads, forcing the sale of one or both of the rail lines.

In a 4-1 decision, the commission denied a request from Santa Fe Southern Pacific Corp., a holding company set up pending approval, to reconsider its rejection of the merger.

The ICC had held in July 1986 that such a combination would reduce competition in the Western U.S. rail freight market. The two railroads, which merged in December 1983, have 25,000 miles (40,000 kilometers) of track between them.

The holding company said after the ICC made its announcement that it would not appeal the decision and that it would resell the company and sell several subsidiaries. It said it had several options for divesting the two railroads, the Atchafalaya, Topeka & Santa Fe and the Southern Pacific Railroad.

Kansas City Southern Industries Inc. said after the ICC's decision that it planned to make a formal cash offer within 60 days to acquire Southern Pacific Railroad. In January, KCSI had offered to purchase the railroad and had asked the ICC to block the merger.

Burlington Northern Inc. said it would consider bidding for parts of the rail operations.

Analysis said any sale of the railroads could take a long time if the buyer is another railroad because of necessary government approval. They said the thought a number of major railroads were already lining up as potential buyers for Southern Pacific, which they estimated to be worth \$600 million to \$800 million.

Other potential bidders included Norfolk Southern Corp. Analysts said they thought Norfolk Southern might be considering Southern Pacific in the hope of forming the only transcontinental rail line.

John S. Reed, chairman and chief executive officer of Norfolk Southern, said the company was "very interested" in the railroad.

See RAILS, Page 15

No Flash, but WPP Makes a Splash

Ad Chief Sorrell's Quiet Image Belies Firm's Ambition

By Steve Lohr
New York Times Service

LONDON — The advertising industry is known for its flamboyant personalities, but Martin S. Sorrell is not one of them.

"A boring, diminutive, well-fed health nut — that's the image I've been tagged with," Mr. Sorrell said of recent descriptions of him in the London press.

Still, the quiet Mr. Sorrell had attracted a following in the international financial community long before his small marketing services concern began an audacious transatlantic bid earlier this month for JWT Group Inc., the world's fourth-largest advertising company and parent of the J. Walter Thompson agency.

Last Friday, after Mr. Sorrell's WPP Group sweetened its offer to \$566 million, JWT's board agreed to a takeover by the British company, which is tiny compared with the Madison Avenue giant.

Mr. Sorrell, 42, is an entrepreneur whose strength is on the financial side. That is the assessment of nearly everyone who has followed his career — first for eight years as the finance director of Saatchi & Saatchi PLC, the world's largest advertising agency, and since 1985 as the chief executive of WPP Group, a former supermarket cart maker that Mr. Sorrell transformed through a rapid series of acquisitions.



WPP's goal 'is to build a major multinational marketing-services group.'

— Martin S. Sorrell, chief executive

"Sorrell is a clever financial manipulator," said Richard Dale, an analyst for James Capel & Co. in London. "He's one of the shrewdest business brains in Britain."

Mr. Sorrell concedes to knowing "a limited amount" about advertising. "We've never claimed to be advertising men," he said. "But we do have a great sympathy and understanding for the professional and creative product."

His business philosophy emphasizes a kind of church-and-state separation of the creative and financial realms of the advertising business.

"The financial side will always come second, but a close second to the professional and creative side of the business," he said. "There should be a mutually reinforcing relationship between the two."

According to Mark Henderson, a director at Panmure Gordon & Co., WPP's stockbroker, Mr. Sorrell will focus on cutting staff and capital spending to attain his business plan of lifting JWT's pretax income as a percentage of revenue to 10 percent, the industry average, by 1990 from 4 percent now. "But he does not tamper with the creative side of acquisitions, except to monitor them financially," Mr. Henderson said.

For his part, Mr. Sorrell is reluctant to give away his plans for JWT. But he says his strategy "is to build a major multinational marketing services group."

To do that, WPP must offer both "below-the-line" marketing services, such as design and graphics, audio-visual work and sales promotion, and "above-the-line" advertising. In recent years, corporate clients have been shifting more of their marketing budgets to these more tailored nonadvertising areas and away from advertising in magazines.

See WPP, Page 17

U.S. Indicators Up 0.7% in May, 4th Monthly Rise

The Associated Press

WASHINGTON — The government's main gauge of future economic activity climbed a healthy 0.7 percent in May, the fourth consecutive monthly increase, according to a report released Tuesday.

The Commerce Department said that the Index of Leading Economic Indicators for April, originally reported as a sharp 0.6 percent decline, had been revised to a 0.2 percent increase.

The combination of the May increase and the upward revision in April presented a picture of an economy that appeared to be gathering momentum.

Many analysts believe that economic growth will strengthen in the second half of the year following a very weak April-June quarter. The leading index appears to be providing evidence to support that view.

In a separate report Tuesday, the department said that new orders for manufactured goods were unchanged in May from April at a seasonally-adjusted \$200.6 billion.

The May performance followed three successive monthly increases in total factory orders, including a revised 0.6 percent April rise, originally reported as 0.2 percent.

Last month's increase in the leading index was the strongest since a 0.9 percent advance in March.

The index has risen every month since a 0.6 percent drop in January, which was blamed on special factors relating to the new tax laws.

The main source of strength in May was a rise in the number of hours worked at manufacturing plants. A decline in manufacturing hours had been the biggest factor holding back the April index.

Analysts complained that the April dip in manufacturing hours was a result of a faulty survey taken in a week when religious holidays reduced the work force.

In all, four of the available nine indicators posted increases in May. After manufacturing hours, the largest positive factors were changes in raw materials prices, business delivery times and a rise in plant and equipment orders.

Five of the indicators held back the index. The biggest was a drop in building permits, followed by slower growth in the money supply, a rise in unemployment claims, a decline in orders for consumer goods and a drop in stock prices.

The various changes left the index at 189.3 percent of its 1967 base of 100.

Sprinkel Sees Growth

Beryl W. Sprinkel, chairman of the White House Council of Economic Advisers, told the congressional Joint Economic Committee on Tuesday that he sees continued economic growth and an improvement in the U.S. trade deficit during 1987-88. Reuters reported from Washington.

In particular, he said, total domestic demand should begin to grow more slowly than gross national product, resulting in an increase in household saving and a substantial reduction in the federal budget deficit.

But he warned that a continued tightening of monetary policy by the Federal Reserve Board could jeopardize economic growth.

Japan Jobless Rate Rose to 3.2% in May, a Record

Reuters

TOKYO — The unemployment rate rose to a record 3.2 percent in May, the government said Tuesday, as the strong yen forced exporters to lay off workers.

The government's Management and Coordination Agency said the rate was the highest since it started compiling statistics in 1953.

It easily surpassed the previous record of 3 percent set in January and equaled in April, and was well above the 2.7 percent of a year earlier.

Unemployment in May totaled 1.91 million people, up from 1.9 million in April and 1.62 million a year earlier.

The specter of unemployment

has become something of an obsession in Japan, where any disruption in the system of lifetime employment, which guarantees some workers jobs for life, is deeply unsettling.

The country is also faced with unprecedented competition from emerging economic powers such as South Korea.

At the same time, the yen has risen 80 percent against the U.S. dollar since February 1985, making Japanese companies' exports more expensive.

A number of old-line manufacturers, chiefly coal, steel and shipbuilding companies, have announced plans to trim jobs.

The government said Tuesday that employment in manufacturing industries was down 1.5 percent last month from a year earlier.

Soichiro Akahane, manager of national economics, Bank of Tokyo Ltd., said the unemployment rate would be more than 4.5 percent if major Japanese companies shed all their excess labor tomorrow.

Although that will not happen, Takashi Kiuchi, senior economist at Long-Term Credit Bank of Japan Ltd., said he expected the system to break down in the long term as the economy shifts from its dependence on exports for growth.

"In the long term, manufacturing

industries will have to curtail their work forces," he said.

That will translate into higher unemployment, even though some of the high-growth services sector, such as banking, Mr. Kiuchi said.

Economists said that the best that could be expected was for unemployment to remain around 3 percent for the rest of 1987.

Most agree that Japan will have to live with relatively high unemployment for years as it struggles to restructure its export-driven economy.

David Pike, economist at broker UBS-Phillips and Drew, forecast that unemployment would rise to 3.6 percent by the end of 1988.

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and the maintenance of a strong capital base.

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ARIES • SANTIAGO • MONTEVIDEO • CARACAS • MEXICO
CITY • PUNTA DEL ESTE • RIO DE JANEIRO • SAO PAULO

FIGURES AS AT DECEMBER 31, 1986:

TOTAL ASSETS:

US \$ 165 billion

SHAREHOLDERS' EQUITY:

US \$ 16 billion

Currency Rates

Cross Rates	June 30
American dollar	2.28
British pound	1.60
French franc	6.55
German mark	3.36
Italian lira	2.36
Japanese yen	163.60
Swiss franc	2.00
Spanish peseta	166.64
Portuguese escudo	200.48
Dutch guilder	3.60
Australian dollar	1.49
New Zealand dollar	1.27
South African rand	1.77
Israeli sheqel	3.48
Chinese yuan	2.34
Indian rupee	16.78
Thai baht	5.65
Singapore dollar	1.36
Malaysian ringgit	2.36
Philippine peso	49.68
Indonesian rupiah	1,678.00
Thai baht	5.65
Singapore dollar	1.36
Malaysian ringgit	2.36
Philippine peso	49.68
Indonesian rupiah	1,678.00

Source: Reuters. All rates are for US dollars. All rates are for US dollars. All rates are for US dollars.

Other Dollar Values

Currency	Rate
Australian dollar	1.49
British pound	1.60
French franc	6.55
German mark	3.36
Italian lira	2.36
Japanese yen	163.60
Swiss franc	2.00
Spanish peseta	166.64
Portuguese escudo	200.48
Dutch guilder	3.60
Australian dollar	1.49
New Zealand dollar	1.27
South African rand	1.77
Israeli sheqel	3.48
Chinese yuan	2.34
Indian rupee	16.78
Thai baht	5.65
Singapore dollar	1.36
Malaysian ringgit	2.36
Philippine peso	49.68
Indonesian rupiah	1,678.00

Source: Reuters. All rates are for US dollars. All rates are for US dollars. All rates are for US dollars.

Interest Rates

Rate	June 30
1 month	7.75%
3 months	7.75%
6 months	7.75%
1 year	7.75%

Source: Reuters. All rates are for US dollars. All rates are for US dollars. All rates are for US dollars.

Key Money Rates

Rate	June 30
1 month	7.75%
3 months	7.75%
6 months	7.75%
1 year	7.75%

Source: Reuters. All rates are for US dollars. All rates are for US dollars. All rates are for US dollars.

Asian Dollar Deposits

Rate	June 30
1 month	7.75%
3 months	7.75%
6 months	7.75%
1 year	7.75%

Source: Reuters. All rates are for US dollars. All rates are for US dollars. All rates are for US dollars.

U.S. Money Market Funds

Rate	June 30
1 month	7.75%
3 months	7.75%
6 months	7.75%
1 year	7.75%

Source: Reuters. All rates are for US dollars. All rates are for US dollars. All rates are for US dollars.

Gold

Rate	June 30
1 month	7.75%
3 months	7.75%
6 months	7.75%
1 year	7.75%

Source: Reuters. All rates are for US dollars. All rates are for US dollars. All rates are for US dollars.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

[illegible][illegible][illegible]

12 Month	1999 Low	Stock	Div. Yld.	P/E	52-Week High	Low	Case
140%	157%	Genl			187	174	++
139%	158%	Gemil			187	174	++
138%	159%	Genl			187	174	++
137%	160%	Genl			187	174	++
136%	161%	Genl			187	174	++
135%	162%	Genl			187	174	++
134%	163%	Genl			187	174	++
133%	164%	Genl			187	174	++
132%	165%	Genl			187	174	++
131%	166%	Genl			187	174	++
130%	167%	Genl			187	174	++
129%	168%	Genl			187	174	++
128%	169%	Genl			187	174	++
127%	170%	Genl			187	174	++
126%	171%	Genl			187	174	++
125%	172%	Genl			187	174	++
124%	173%	Genl			187	174	++
123%	174%	Genl			187	174	++
122%	175%	Genl			187	174	++
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51%	246%	Genl			187	174	++
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49%	248%	Genl			187	174	++
48%	249%	Genl			187	174	++
47%	250%	Genl			187	174	++
46%	251%	Genl			187	174	++
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44%	253%	Genl			187	174	++
43%	254%	Genl			187	174	++
42%	255%	Genl			187	174	++
41%	256%	Genl			187	174	++
40%	257%	Genl			187	174	++
39%	258%	Genl			187	174	++
38%	259%	Genl			187	174	++
37%	260%	Genl			187	174	++
36%	261%	Genl			187	174	++
35%	262%	Genl			187	174	++
34%	263%	Genl			187	174	++
33%	264%	Genl			187	174	++
32%	265%	Genl			187	174	++
31%	266%	Genl			187	174	++
30%	267%	Genl			187	174	++
29%	268%	Genl			187	174	++
28%	269%	Genl			187	174	++
27%	270%	Genl			187	174	++
26%	271%	Genl			187	174	++
25%	272%	Genl			187	174	++
24%	273%	Genl			187	174	++
23%	274%	Genl			187	174	++
22%	275%	Genl			187	174	++
21%	276%	Genl			187	174	++
20%	277%	Genl			187	174	++
19%	278%	Genl			187	174	++
18%	279%	Genl			187	174	++
17%	280%	Genl			187	174	++
16%	281%	Genl			187	174	++
15%	282%	Genl			187	174	++
14%	283%	Genl			187	174	++
13%	284%	Genl			187	174	++
12%	285%	Genl			187	174	++
11%	286%	Genl			187	174	++
10%	287%	Genl			187	174	++
9%	288%	Genl			187	174	++
8%	289%	Genl			187	174	++
7%	290%	Genl			187	174	++
6%	291%	Genl			187	174	++
5%	292%	Genl			187	174	++
4%	293%	Genl			187	174	++
3%	294%	Genl			187	174	++
2%	295%	Genl			187	174	++
1%	296%	Genl			187	174	++
0%	297%	Genl			187	174	++
0%	298%	Genl			187	174	++
0%	299%	Genl			187	174	++
0%	300%	Genl			187	174	++

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3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
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3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
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3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
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3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
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3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
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3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%	41%	47%	53%	59%
3%	11%	17%	23%	29%	35%				

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7th March	8th March	9th March	10th March	11th March	12th March	13th March	14th March	15th March	16th March	17th March	18th March	19th March	20th March	21st March	22nd March	23rd March	24th March	25th March	26th March	27th March	28th March	29th March	30th March	31st March	1st April	2nd April	3rd April	4th April	5th April	6th April	7th April	8th April	9th April	10th April	11th April	12th April	13th April	14th April	15th April	16th April	17th April	18th April	19th April	20th April	21st April	22nd April	23rd April	24th April	25th April	26th April	27th April	28th April	29th April	30th April	1st May	2nd May	3rd May	4th May	5th May	6th May	7th May	8th May	9th May	10th May	11th May	12th May	13th May	14th May	15th May	16th May	17th May	18th May	19th May	20th May	21st May	22nd May	23rd May	24th May	25th May	26th May	27th May	28th May	29th May	30th May	31st May	1st June	2nd June	3rd June	4th June	5th June	6th June	7th June	8th June	9th June	10th June	11th June	12th June	13th June	14th June	15th June	16th June	17th June	18th June	19th June	20th June	21st June	22nd June	23rd June	24th June	25th June	26th June	27th June	28th June	29th June	30th June	1st July	2nd July	3rd July	4th July	5th July	6th July	7th July	8th July	9th July	10th July	11th July	12th July	13th July	14th July	15th July	16th July	17th July	18th July	19th July	20th July	21st July	22nd July	23rd July	24th July	25th July	26th July	27th July	28th July	29th July	30th July	31st July	1st August	2nd August	3rd August	4th August	5th August	6th August	7th August	8th August	9th August	10th August	11th August	12th August	13th August	14th August	15th August	16th August	17th August	18th August	19th August	20th August	21st August	22nd August	23rd August	24th August	25th August	26th August	27th August	28th August	29th August	30th August	31st August	1st September	2nd September	3rd September	4th September	5th September	6th September	7th September	8th September	9th September	10th September	11th September	12th September	13th September	14th September	15th September	16th September	17th September	18th September	19th September	20th September	21st September	22nd September	23rd September	24th September	25th September	26th September	27th September	28th September	29th September	30th September	1st October	2nd October	3rd October	4th October	5th October	6th October	7th October	8th October	9th October	10th October	11th October	12th October	13th October	14th October	15th October	16th October	17th October	18th October	19th October	20th October	21st October	22nd October	23rd October	24th October	25th October	26th October	27th October	28th October	29th October	30th October	31st October	1st November	2nd November	3rd November	4th November	5th November	6th November	7th November	8th November	9th November	10th November	11th November	12th November	13th November	14th November	15th November	16th November	17th November	18th November	19th November	20th November	21st November	22nd November	23rd November	24th November	25th November	26th November	27th November	28th November	29th November	30th November	1st December	2nd December	3rd December	4th December	5th December	6th December	7th December	8th December	9th December	10th December	11th December	12th December	13th December	14th December	15th December	16th December	17th December	18th December	19th December	20th December	21st December	22nd December	23rd December	24th December	25th December	26th December	27th December	28th December	29th December	30th December	31st December	1st January	2nd January	3rd January	4th January	5th January	6th January	7th January	8th January	9th January	10th January	11th January	12th January	13th January	14th January	15th January	16th January	17th January	18th January	19th January	20th January	21st January	22nd January	23rd January	24th January	25th January	26th January	27th January	28th January	29th January	30th January	31st January	1st February	2nd February	3rd February	4th February	5th February	6th February	7th February	8th February	9th February	10th February	11th February	12th February	13th February	14th February	15th February	16th February	17th February	18th February	19th February	20th February	21st February	22nd February	23rd February	24th February	25th February	26th February	27th February	28th February	29th February	1st March
178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293</																																																																																																																																																																																																																																																					

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

1.4 15 2.6 2.2-2.8 3.0-3.5

General Electric			
1984	1985	1986	1987
Prod. Year	1984	1985	1986
Revenue	\$48.0	\$50.0	\$50.0
Profit	\$1.0	\$1.0	\$1.0
Net Inc.	\$1.0	\$1.0	\$1.0

Hormuth			
1984	1985	1986	1987
Prod. Year	1984	1985	1986
Revenue	\$1.0	\$1.0	\$1.0
Profit	\$1.0	\$1.0	\$1.0
Net Inc.	\$1.0	\$1.0	\$1.0

France			
1984	1985	1986	1987
Prod. Year	1984	1985	1986
Revenue	\$1.0	\$1.0	\$1.0
Profit	\$1.0	\$1.0	\$1.0
Net Inc.	\$1.0	\$1.0	\$1.0

Bethlehem (Conn.)			
1984	1985	1986	1987
Prod. Year	1984	1985	1986
Revenue	\$1.0	\$1.0	\$1.0
Profit	\$1.0	\$1.0	\$1.0
Net Inc.	\$1.0	\$1.0	\$1.0

Japan			
1984	1985	1986	1987
Prod. Year	1984	1985	1986
Revenue	\$1.0	\$1.0	\$1.0
Profit	\$1.0	\$1.0	\$1.0
Net Inc.	\$1.0	\$1.0	\$1.0

Rich			
1984	1985	1986	1987
Prod. Year	1984	1985	1986
Revenue	\$1.0	\$1.0	\$1.0
Profit	\$1.0	\$1.0	\$1.0
Net Inc.	\$1.0	\$1.0	\$1.0

Spain			
1984	1985	1986	1987
Prod. Year	1984	1985	1986
Revenue	\$1.0	\$1.0	\$1.0
Profit	\$1.0	\$1.0	\$1.0
Net Inc.	\$1.0	\$1.0	\$1.0

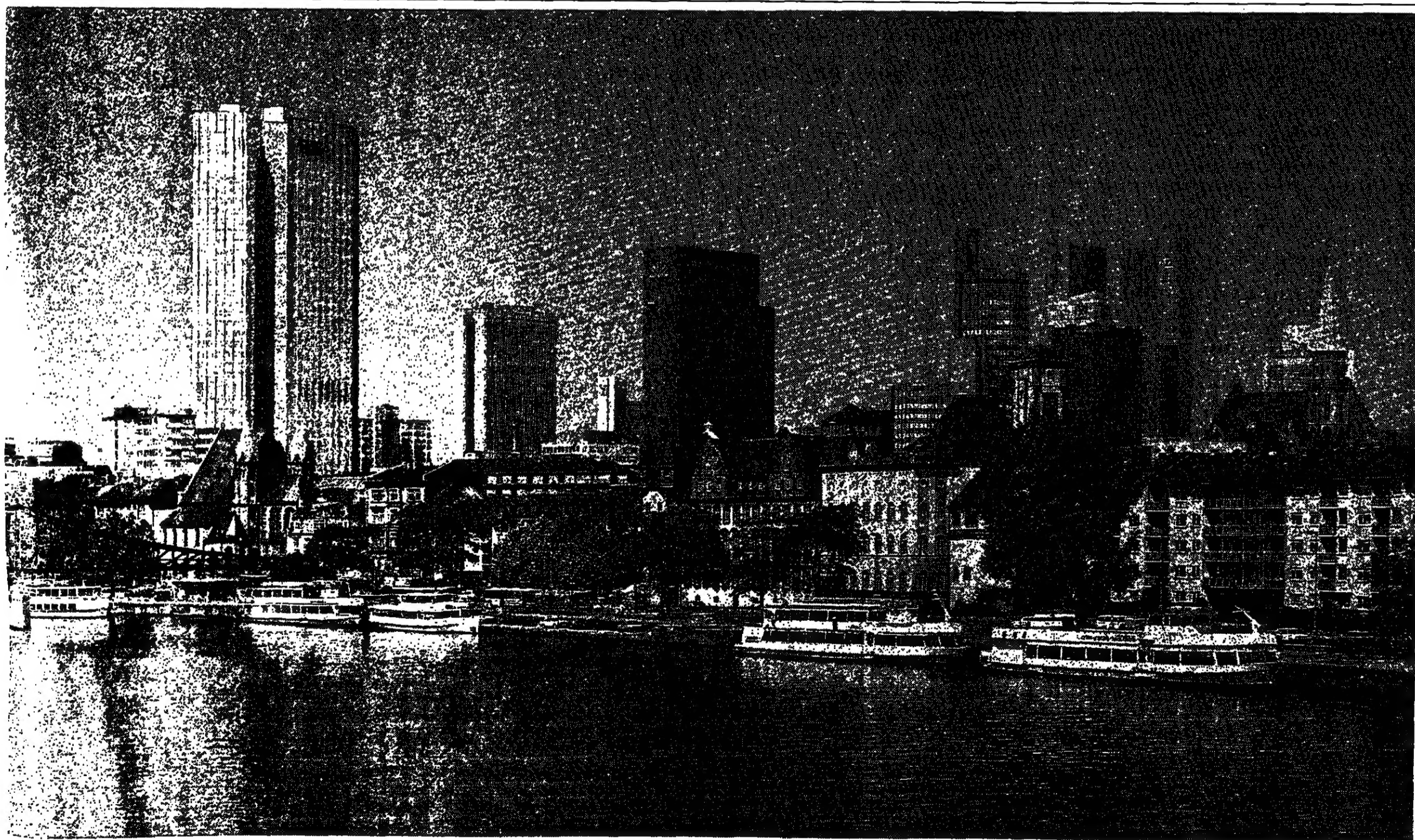
Union Explosives			
1984	1985	1986	1987
Prod. Year	1984	1985	1986
Revenue	\$1.0	\$1.0	\$1.0
Profit	\$1.0	\$1.0	\$1.0
Net Inc.	\$1.0	\$1.0	\$1.0

United States			
1984	1985	1986	1987
Prod. Year	1984	1985	1986
Revenue	\$1.0	\$1.0	\$1.0
Profit	\$1.0	\$1.0	\$1.0
Net Inc.	\$1.0	\$1.0	\$1.0

W. Germany			
1984	1985	1986	1987
Prod. Year	1984	1985	1986
Revenue	\$1.0	\$1.0	\$1.0
Profit	\$1.0	\$1.0	\$1.0
Net Inc.	\$1.0	\$1.0	\$1.0

Esso			
1984	1985	1986	1987
Prod. Year	1984	1985	1986
Revenue	\$1.0	\$1.0	\$1.0
Profit	\$1.0	\$1.0	\$1.0
Net Inc.	\$1.0	\$1.0	\$1.0

(Continued on next left-hand page)



Our clientele includes a cross-section of individuals, small and medium-sized businesses, and leading corporations. Looking ahead, we are prepared to give our customers the kind of cooperation and commitment that they have come to expect.

Fiscal year 1986	Preliminary Figures as of December 31, 1986
Total Assets	DM 59.9 billion
Customers' Deposits	DM 28.4 billion
Loans to Customers	DM 32.0 billion
Capital and Reserves	DM 2.1 billion
Consolidated Balance Sheet Figures.	

**BfG: Bank für
Gemeinwirtschaft**

BFG-Bank für Gemeinwirtschaft, Aktiengesellschaft. Postfach 11 02 22, Theaterplatz 2, 6000 Frankfurt am Main 1 · BfG:London, 33, Lombard Street, London EC3V 9BS · BfG:Hong Kong, 13/F Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong
BfG Finance Asia Ltd., c/o BfG:Hong Kong · BfG:Luxembourg Société Anonyme, 2, rue Jean Bertholet, B.P. 1123, Luxembourg · BfG:New York, 400 Park Avenue, New York, N.Y. 10022 · BfG:Cayman Islands, c/o BfG:New York

هكذا من الأحرار

Olivetti announces the PCs that respect your right to make your own decisions.

The arrival of the personal computer revolutionised the way businesses were run, bringing speed and efficiency that were previously unthinkable.

That revolution, like all technological revolutions, was producer-led. But the world since the revolution has changed. Business accepted and exploited the new technology. It invested in it, often heavily. The business customer today is literate in the new technology, and is articulate enough clearly to communicate his needs. Olivetti believes that the responsible producer should listen to him.

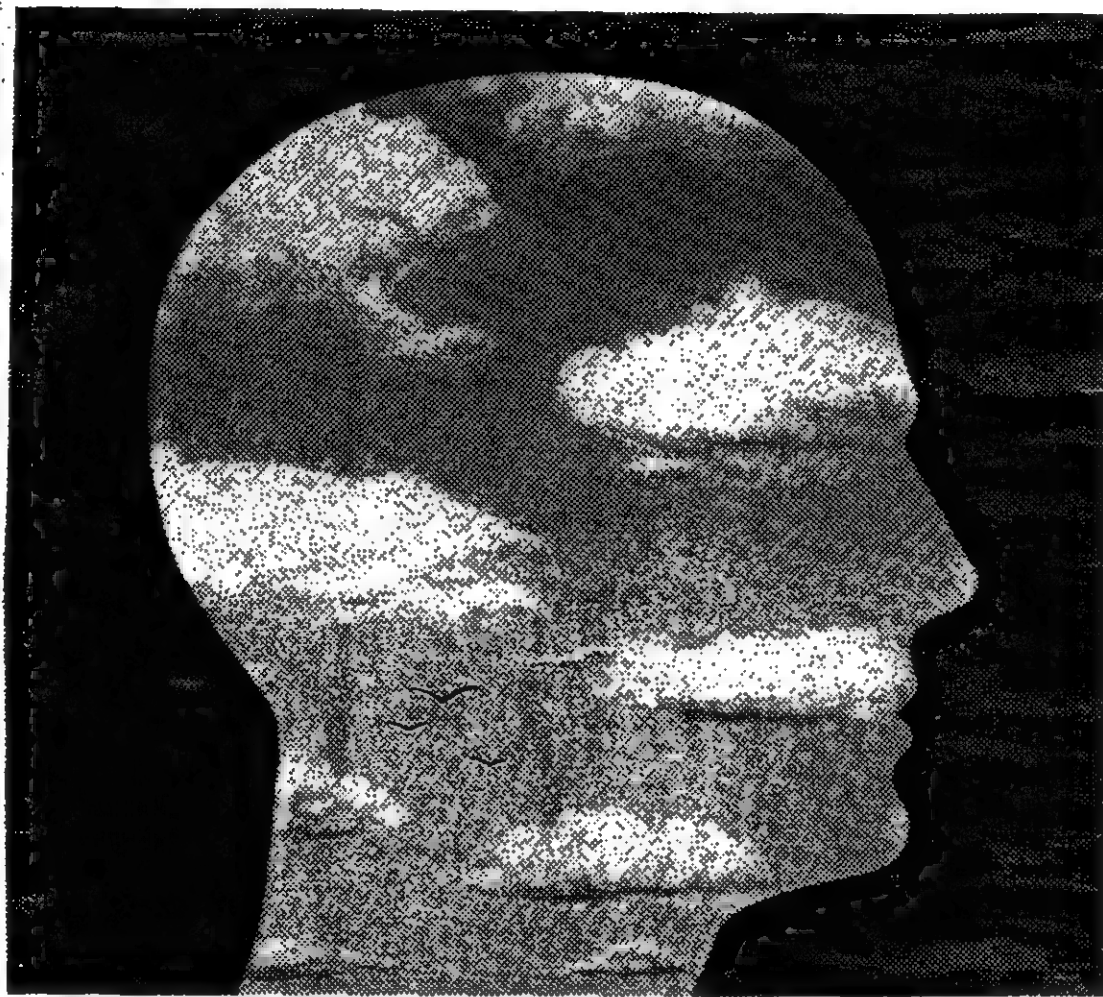
Systems evolution

A major evolution in recent years has been in the role of the PC itself, from a stand-alone machine into part of a system. And this evolution is closely reflected in Olivetti's approach. For Olivetti, PCs are conceived as the building blocks of a system.

This user requirement for a systems approach has demanded increasingly powerful and sophisticated technology. The consumer has, in a sense, retaken the initiative. How should the producer respond?

Olivetti's view is clear. Today's user is not only technologically literate but also financially committed. Naturally, he expects products that will offer him all the benefits of state-of-the-art technology.

But he also has a right to expect products that will leave him free to enter and structure the system as and when he wants to. He needs a high degree of



interconnectivity, workstations that offer the best possible price/performance ratio. And he wants to be free to work with the market standard of his own choosing.

This is what Olivetti has set out to give him with its new PC offering.

Power and flexibility

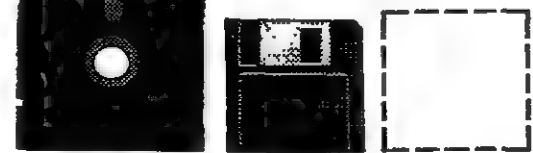
At the top of Olivetti's new PC range will be three models using the powerful 80386 microchip. These will be the fastest, most powerful PCs available, reflecting the trend for the PC to operate as server in local networks that can in turn be integrated with minicomputer environments.

These new models range from the M 380/T tower model to the M 380 and the compact M 380/C desktop workstations. The M 380 line will be flanked by a series of new PCs available in a

wide range of configurations. These will include the M 280, a powerful and extremely fast personal based on the 80286 chip with the potential for multi-tasking, the S 281, another 80286-based workstation specifically designed to operate in LAN environments, and the M 240, a potent workstation that represents a natural evolution of the highly successful (and widely emulated) M 24.

Compatibility commitment

The new models have been developed as an evolution of the



existing Olivetti PC range. They are all fully compatible with market standards. (They offer, for example, a free choice of 5.25 and/or 3.5 inch floppy disks.) Indeed, it is Olivetti's firm intention to

guarantee full compatibility with current market standards. Whatever they may be. The new models will thus take their place alongside Olivetti's existing PCs (including the recently introduced portable M 15) to offer the customer a complete range of choice in planning his systems.

They offer him full compatibility with his installed base, high computing power, integrated, ergonomically valid configurations and a modular approach that will allow him to expand the system exactly according to his needs.

Complete solution

As well as respecting the customer's existing investment, Olivetti is committed to protecting and supporting it in the future.

The completeness of the new Olivetti PC range is matched by the completeness of Olivetti's global offer, which embraces the whole spectrum of PC-related products, from software to printers.

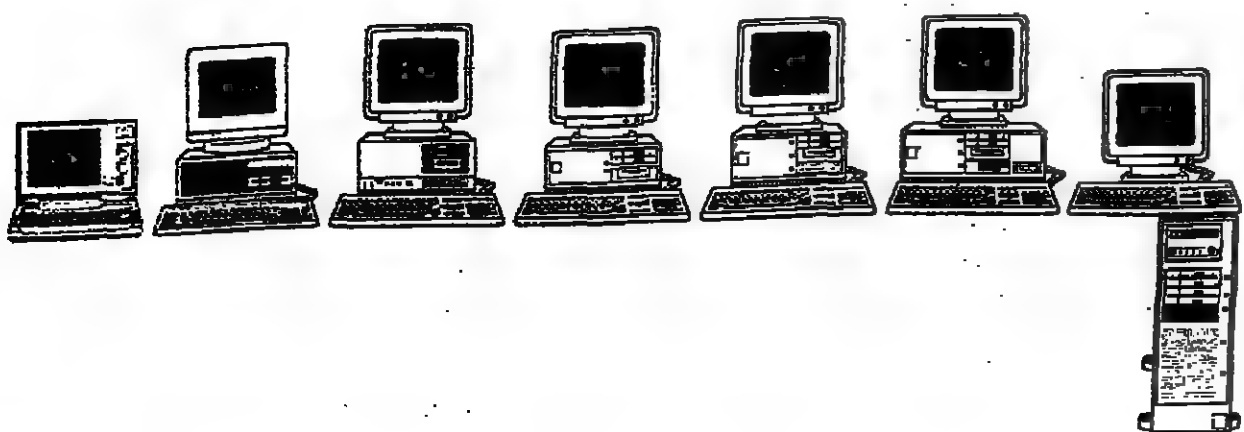
In addition, Olivetti's highly qualified dealer network and internal staff are at the disposal of clients to assist in interpreting their needs and to provide full after-sales back up service.

The new Olivetti PC offering has thus been conceived to give the user the maximum freedom of choice.

To leave him free to grow and evolve rather than to tie him down.

That is why we see the new Olivetti PCs as the choice of freedom.

olivetti



OLIVETTI PERSONAL COMPUTERS. CHOICE OF FREEDOM.

NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

12 Month High	Low	Stock	Div.	Yld.	P/E	52 Week High	Low	Quot.	Chg.
120	115	IBM	3.20	3.8	10	120	115	117 1/4	+ 1/4
110	105	AT&T	2.80	3.5	12	110	105	108 1/4	+ 1/4
100	95	GE	2.40	3.2	11	100	95	97 1/4	+ 1/4
90	85	Westinghouse	2.00	3.0	10	90	85	87 1/4	+ 1/4
80	75	General Electric	1.80	2.8	9	80	75	77 1/4	+ 1/4
70	65	Rockwell	1.60	2.6	8	70	65	67 1/4	+ 1/4
60	55	Boeing	1.40	2.4	7	60	55	57 1/4	+ 1/4
50	45	Lockheed	1.20	2.2	6	50	45	47 1/4	+ 1/4
40	35	Northrop	1.00	2.0	5	40	35	37 1/4	+ 1/4
30	25	Grumman	.80	1.8	4	30	25	27 1/4	+ 1/4
20	15	Raytheon	.60	1.6	3	20	15	17 1/4	+ 1/4
10	5	Hughes	.40	1.4	2	10	5	7 1/4	+ 1/4

12 Month High	Low	Stock	Div.	Yld.	P/E	52 Week High	Low	Quot.	Chg.
120	115	IBM	3.20	3.8	10	120	115	117 1/4	+ 1/4
110	105	AT&T	2.80	3.5	12	110	105	108 1/4	+ 1/4
100	95	GE	2.40	3.2	11	100	95	97 1/4	+ 1/4
90	85	Westinghouse	2.00	3.0	10	90	85	87 1/4	+ 1/4
80	75	General Electric	1.80	2.8	9	80	75	77 1/4	+ 1/4
70	65	Rockwell	1.60	2.6	8	70	65	67 1/4	+ 1/4
60	55	Boeing	1.40	2.4	7	60	55	57 1/4	+ 1/4
50	45	Lockheed	1.20	2.2	6	50	45	47 1/4	+ 1/4
40	35	Northrop	1.00	2.0	5	40	35	37 1/4	+ 1/4
30	25	Grumman	.80	1.8	4	30	25	27 1/4	+ 1/4
20	15	Raytheon	.60	1.6	3	20	15	17 1/4	+ 1/4
10	5	Hughes	.40	1.4	2	10	5	7 1/4	+ 1/4

12 Month High	Low	Stock	Div.	Yld.	P/E	52 Week High	Low	Quot.	Chg.
120	115	IBM	3.20	3.8	10	120	115	117 1/4	+ 1/4
110	105	AT&T	2.80	3.5	12	110	105	108 1/4	+ 1/4
100	95	GE	2.40	3.2	11	100	95	97 1/4	+ 1/4
90	85	Westinghouse	2.00	3.0	10	90	85	87 1/4	+ 1/4
80	75	General Electric	1.80	2.8	9	80	75	77 1/4	+ 1/4
70	65	Rockwell	1.60	2.6	8	70	65	67 1/4	+ 1/4
60	55	Boeing	1.40	2.4	7	60	55	57 1/4	+ 1/4
50	45	Lockheed	1.20	2.2	6	50	45	47 1/4	+ 1/4
40	35	Northrop	1.00	2.0	5	40	35	37 1/4	+ 1/4
30	25	Grumman	.80	1.8	4	30	25	27 1/4	+ 1/4
20	15	Raytheon	.60	1.6	3	20	15	17 1/4	+ 1/4
10	5	Hughes	.40	1.4	2	10	5	7 1/4	+ 1/4

12 Month High	Low	Stock	Div.	Yld.	P/E	52 Week High	Low	Quot.	Chg.
120	115	IBM	3.20	3.8	10	120	115	117 1/4	+ 1/4
110	105	AT&T	2.80	3.5	12	110	105	108 1/4	+ 1/4
100	95	GE	2.40	3.2	11	100	95	97 1/4	+ 1/4
90	85	Westinghouse	2.00	3.0	10	90	85	87 1/4	+ 1/4
80	75	General Electric	1.80	2.8	9	80	75	77 1/4	+ 1/4
70	65	Rockwell	1.60	2.6	8	70	65	67 1/4	+ 1/4
60	55	Boeing	1.40	2.4	7	60	55	57 1/4	+ 1/4
50	45	Lockheed	1.20	2.2	6	50	45	47 1/4	+ 1/4
40	35	Northrop	1.00	2.0	5	40	35	37 1/4	+ 1/4
30	25	Grumman	.80	1.8	4	30	25	27 1/4	+ 1/4
20	15	Raytheon	.60	1.6	3	20	15	17 1/4	+ 1/4
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80	75	General Electric	1.80	2.8	9	80	75	77 1/4	+ 1/4
70	65	Rockwell	1.60	2.6	8	70	65	67 1/4	+ 1/4
60	55	Boeing	1.40	2.4	7	60	55	57 1/4	+ 1/4
50	45	Lockheed	1.20	2.2	6	50	45	47 1/4	+ 1/4
40	35	Northrop	1.00	2.0	5	40	35	37 1/4	+ 1/4
30	25	Grumman	.80	1.8	4	30	25	27 1/4	+ 1/4
20	15	Raytheon	.60	1.6	3	20	15	17 1/4	+ 1/4
10	5	Hughes	.40	1.4	2	10	5	7 1/4	+ 1/4

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70	65	Rockwell	1.60	2.6	8	70	65	67 1/4	+ 1/4
60	55	Boeing	1.40	2.4	7	60	55	57 1/4	+ 1/4
50	45	Lockheed	1.20	2.2	6	50	45	47 1/4	+ 1/4
40	35	Northrop	1.00	2.0	5	40	35	37 1/4	+ 1/4
30	25	Grumman	.80	1.8	4	30	25	27 1/4	+ 1/4
20	15	Raytheon	.60	1.6	3	20	15	17 1/4	+ 1/4
10	5	Hughes	.40	1.4	2	10	5	7 1/4	+ 1/4

Credito Italiano S.p.A. 1986 results

FINANCIAL HIGHLIGHTS FOR THE YEAR (in billions of lire)

LOANS	41,892 (+ 1.0%)
FUNDING	54,740 (+ 9.3%)
OWN MEANS	2,457 (+ 21.2%)
TOTAL ASSETS (excl. contra accounts)	61,299 (+ 10.1%)
OPERATING PROFIT (after extraordinary items)	558.3
Less Depreciation and Provisions	178.2
Profit before tax	380.1
Taxation	172.3
NET PROFIT	207.8

The year ended December 1986 closed with a net profit of Lit 207.8 billion. Lit 115 billion has been appropriated to Reserves.

The dividend for the year on ordinary shares will remain unchanged at Lit 90, while the dividend paid on savings shares will be Lit 105.

The net profit figure was arrived at after allocation to depreciation, provisions and taxation of Lit 350.5 billion (Lit 277.6 billion in 1985).



from International Investor V

Simply circle the appropriate number on the coupon at the bottom of the page before July 23, 1987 or telex the numbers with your return address, and the report(s) will be mailed to you by the companies involved.

BSN GROUPE

For the French leading food and beverage Group, 1986 was a favorable year, with as major event, Générale Biscuits acquiring. Reflecting the partial consolidation of the new Biscuits Division, BSN's sales increased from FF.28.5 billion (to FF.33.6 billion). Net income increased by 25.5% to nearly 1.1 billion. Thanks to favorable market conditions, combined with new product introductions, restructuring operations and growing internationalization, BSN reinforced its positions: major global dairy products and bottled spring water producer, main European brewer and pasta producer, third global position for biscuits and champagne, leading European bottle producer.

Bull

Group BULL is an international data processing and communications group present in 75 countries, with 26,800 employees, including a salesforce of 14,000 people of which more than 5,500 are based outside France, modern manufacturing facilities (6 plants employing close to 7,000 people) and a series of product families built around a distributed and open network architecture.

1986 key figures:

- Revenue: F.Fr. 17.8 billion (+ 10.5% since 1985);
- Foreign sales: F.Fr. 6.1 billion;
- Industrial and commercial investments: F.Fr. 1.672 billion;
- Research and development investments: F.Fr. 1.842 billion;
- Net income: F.Fr. 0.271 billion;
- Cash flow: F.Fr. 1.741 billion.

CARNAUD

Carnaud corporate planning.

Our target: excellence for our costumers. A genuine job: packing. Our claim: results second to none. Enthusiasm of our teams, the loyalty of our men. A motto: act together.

CGE

The CGE Group is one of the world's leading industrial concerns. Its subsidiaries' achievements command worldwide recognition of CGE technologies and innovative know-how. Today, the Group produces the full range of equipment and systems for the energy and communications sectors.

FINANCIAL HIGHLIGHTS in F.Fr. million

1984	1985	1986	
CONSOLIDATED SALES	62,109	71,942	80,903
NET EARNINGS	777	1,185	1,721
CONSOLIDATED CASH FLOW	2,775	3,515	4,469
SALES OUTSIDE FRANCE	25,016	26,628	29,000

NIXDORF COMPUTER

From computers to telecommunications, Nixdorf offers a broadly based product spectrum for integrated information processing in the office and factory environment. Its proven ability to turn new technology into innovative products is backed by worldwide R & D and production activities. Company strength derives from skills in serving our needs at the workstation, with system solutions tailored for such industries as banking, insurance, retailing, hotels and restaurants.

Sustained growth raised revenues by 15 percent in 1986 to DM4.5 billion evenly shared between the German and international markets. Net income was up 29 percent to DM222 million. Capital expenditure, and R & D spending, totalled over DM1 billion. Additional staffing in 1986 raised the workforce to 25,576 personnel in a global network of 560 sales and service bases in 44 countries.

PEUGEOT S.A.

The PSA group is one of the first industrial groups in France, the first French exporter and the fourth European car manufacturer with a production of 1,000,707,100 vehicles in 1986.

PSA owes its success in 1986 to its systematic policy of renewing its products ranges, of modernizing its production tools, of introducing new technologies, of increasing productivity and of improving quality.

From a financial point of view, the operational profit has more than doubled in 3 years and the cash flow, which has more than tripled, covered 97.5% of investments in tangible fixed assets.

Lastly, the net profits were multiplied nearly sevenfold in 1986.

SKANSKA

Skanska is one of Europe's leading civil engineering and building contractor with a reputation for handling advanced projects in more than 60 countries.

We have got the technical strength to meet any construction need. With complete project responsibility we are resourced to deliver the total package. Assurance, fully functional installations and financial gains.

The Skanska Group reports 1986 revenues of SEK 16,103 million of which SEK 2,632 million were from outside Sweden. The consolidated income before allocations and equity/assets ratio rose to 23.2 percent. (SEK 1,000 = U.S.\$ 146.4)

société nationale elf aquitaine

In 1986 the ELF AQUITAINE Group had a cash flow of 16.5 billion F.Fr. and a consolidated net profit of 4.3 billion F.Fr. All its divisions were profitable. ELF's reserves of oil and gas increased and it acquired new exploration permits. The chemical and pharmaceutical divisions are becoming a more important part of the Group's activities, contributing to ELF's overall stability.

ELF AQUITAINE reached strongly to the stocks caused by a fall of almost 50% in the average crude oil price and a fall of almost 25% in the value of the dollar. The stock exchange reacted favourably and ELF's share value has increased significantly. The public and ELF personally responded well to the sale of part of ELF's capital by the French authorities and ELF has now over 300,000 private shareholders. 56% of its capital is currently owned by ERAP but ELF will be privatized before 1991.

VEBA AG

VEBA is one of Germany's leading companies. It is a broadly based industrial and service organization working in four major areas of activity: electricity generation and supply, oil and gas, chemicals, and trading and transportation. Total external sales in 1986 were DM 40.1 billion. Income before taxes was DM 1.9 billion, and Group net profit rose substantially to DM 1,020 million. Earnings per share have almost doubled since 1983. VEBA has nearly 70,000 employees and some 600,000 shareholders.

VIAG

Energy • Aluminium • Chemicals

The Viag Consolidated Group registered an annual surplus of DM 1.49 million in 1986 — a record result for the postwar period. The Group's subsidiaries in the energy sector moved forward at an above-average rate, with earnings rising again. Fabrication continued to grow in the aluminium sector, with sales of rolled, extruded, and finished products increasing. Although earnings were burdened by the fall in the dollar, on the whole they developed satisfactorily. Business in chemicals weakened because of this sector's high share of foreign business and stiffer competition. Nevertheless, profits were sufficient to ensure the payment of an unchanged dividend to VIAG AG. The annual surplus of VIAG AG grew to DM 107 million, which permits an increased allocation to the reserves of DM 38 million and a rise in the dividend per share from DM 5 to DM 6. For 1987, VIAG profits are projected to remain at the same high level as in 1986.

Mail this coupon or send telex to:

Matthew Greene/International Investor V
International Herald Tribune
181 Avenue Charles-de-Gaulle
92521 Neuilly Cedex, France.
Telex: 613595 F

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Check here: ☐ if you would like information sent you to have your company included in our International Investor VI feature scheduled for October 1987 and please attach your business card.

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TOTAL COMPAGNIE FRANÇAISE DES PÉTROLES

1986 ANNUAL GENERAL MEETING JUNE 26, 1987

The annual general meeting of TOTAL CFP, held on June 26, 1987, with Mr. François-Xavier ORTOLI in the Chair, approved the accounts for 1986. All the resolutions were adopted.

In his address, the Chairman outlined the evolution of the company during 1986 and the first part of 1987, noting that on a consolidated basis, there would be a positive net income for the first half of the current year. As is normal in an uncertain economic climate, the information available at present was not sufficient to permit an assessment of how the year as a whole would be likely to develop.

The Chairman emphasized that the Group's sound financial structure had enabled it to weather the uncertainties of the oil world in 1986, despite unprecedented stockholding losses brought about by the fall in both the barrel price and the dollar. He added that the Group had demonstrated its resilience to such fluctuations. Mr. ORTOLI observed that the parent company's earnings for 1986 amounted to FF 1.013 billion.

Mr. ORTOLI expressed his conviction that for a long time to come, hydrocarbons would continue to play an essential part in meeting world energy requirements, and should continue to be profitable for those able to combine efficiency and competitiveness. He referred, in this connection, to the Group's active policy of strengthening its relations with Middle Eastern countries and extending and renewing its mining acreage. Furthermore, he laid stress on the considerable efforts being made to rationalize the refining and marketing sector and on the need to restore profits in this area.

Lastly, the Chairman mentioned that the share warrants issued last year would mature at the end of 1987 and he noted the performance of TOTAL CFP shares on the Paris Stock Exchange since the beginning of 1986.

Financial performance: 1986 has seen continued recovery since the Group's result net of stockholding movements increased by FF 3 billion to FF 6.3 billion. Despite substantial stockholding losses (FF 7.5 billion), TOTAL's net loss was only FF 0.71 billion.

The consolidated financial statements at year-end also showed a cash flow (excluding stockholding movements) of FF 11.6 billion, compared with FF 9.9 billion for the previous year.

The Group's net capital expenditure amounted to FF 7.7 billion, the greater part of which went in the upstream sector.

Lastly, the capital increased by both the parent company and some of its subsidiaries, provided the Group with a net injection of funds totaling FF 3.1 billion.

Activities: The year witnessed:
— a strengthening of the Group's international trading position in both oil and gas;
— a highly selective exploration programme, complemented by the acquisition of proven reserves in North America;
— continued efforts to restructure and modernize refining and marketing in Europe, and more particularly the TOTAL FRANCE network.

Significant data 1986
Resources
Oil (millions of tons) 46.8
Gas (billions of m³) 5.4

Financial data (consolidated), FF billions
Turnover (of which 34% in France) 95.7
Cash flow 11.6
Net loss -0.71
(of which TOTAL CFP share - 0.47)

Net investments 7.7
On the parent company
Turnover 33.8
Net income 1.0
Dividend per share 20 F (+ Tax credit of 10 F)
Date of dividend payment: July 2

The brochure "TOTAL COMPAGNIE FRANÇAISE DES PÉTROLES IN 1986" can be obtained in English and French from Service Diffusion, 5 Rue Michel-Ange, 75781 Paris Cedex 16, France.

TOTAL GROUP

GECAMINES EXPLOITATION

AVIS D'APPEL D'OFFRES D8

1. Objet
La Gécamines-Exploitation lance un appel d'offres international pour la réalisation "clés en mains" d'un projet intitulé "Électrification du Réseau de la Mine de KIPUSHI".

2. Financement
Le financement du projet est assuré par la Banque Africaine de Développement (BAD).

3. Descriptions
Le lot, indivisible, comprend la conception d'ensemble, les études de détails, les fournitures du matériel et son transport jusqu'au site, le montage de l'installation et sa mise en service, les prestations nécessaires pour installer et mettre en exploitation, dans le fond de la mine souterraine de Kipushi, l'électrification de la traction des wagons minéraliers.

Le lot comprend également le training du personnel de la Gécamines-Exploitation à la maintenance et à l'exploitation de l'installation.

Les fournitures de matériel comprennent principalement:
— des locomotives électriques pouvant tracter deux rames distinctes de wagons minéraliers, le poids total roulant de chaque rame étant de 260 tonnes (sans les câbles);
— deux types de locomotives pouvant être affectés:
— à trolley et batteries de secours;
— à batteries seules.

Le soumissionnaire développera les arguments techniques et économiques qu'il veut faire valoir pour l'obtention du contrat.

Les équipements nécessaires pour fournir l'énergie électrique aux locomotives (ligne caténaire, sous-station, transformateurs, batteries, buses de charge, etc.) pour chacune des deux variantes de l'offre.

4. Éligibilité
L'appel d'offres est ouvert aux entreprises ressortissantes des pays membres de la BAD ou des pays participants au FOND AFRICAIN DE DÉVELOPPEMENT (FAD).

5. Qualification des soumissionnaires
Le soumissionnaire devra fournir, pour lui-même, ses fournisseurs ou sous-traitants éventuels, les preuves d'expérience récente et de compétence en:
— construction de locomotives souterraines électriques;
— implantation et mise en service d'équipements électriques nécessaires à la traction en souterrain.

6. Dossier d'appel d'offres
Le dossier d'appel d'offres pourra être obtenu, à partir du 13 juillet 1987, contre paiement de 50.000, en U.S. \$ 600, ou R.F. 25.000, par chèque bancaire sur adresse suivante:
Gécamines-Exploitation, Secrétariat Général, Bureau Central, B.P. 450, Lubumbashi - République du Zaïre. Téléphone: 22.51.30/396 - Téléc: 410.34 - Téléfax: 22.36.55.

Gécamines-Exploitation - B.P. 8714 - Kinshasa - République du Zaïre. Téléphone: 22.338 - Téléc: 21.207 - Téléfax: 22.362.

Gécamines-Exploitation - 15 rue de la loi, Boite 051 1040 Bruxelles - Belgique. Téléphone: 230.00.77 - Téléc: 235.75 - Téléfax: 230.66.90

7. Dépôt et ouverture des offres
Les offres seront reçues au plus tard le 12 octobre 1987 à 16 heures (heure locale) à l'adresse du Lubumbashi après clôture.

Les soumissionnaires qui le désirent, peuvent déposer leurs offres aux bureaux de la Gécamines-Exploitation à Kinshasa ou à Bruxelles, à leurs risques et périls, jusqu'au 7 octobre 1987 au plus tard.

L'ouverture des offres aura lieu en séance publique le 13 octobre 1987 à 10 heures, salle Mumbumba, avenue du Parc, zone de Lubumbashi.

8. Cautionnement de soumission
Le soumissionnaire joindra obligatoirement à son offre un cautionnement provisoire, d'un montant égal à 2% du montant de la soumission en dollars des États-Unis, ou l'équivalent exprimé dans une devise librement convertible.

9. Valeur de l'offre
Une visite unique du site, d'une durée de deux jours, sera organisée pour les soumissionnaires, le 10 août 1987.

Liste des participants à cette visite devra être soumise par télex à la GECAMINES-EXPLOITATION à Bruxelles ou à Lubumbashi, pour le 27 juillet 1987 au plus tard.

U.S. Futures

Via The Associated Press

June 30

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Fiat Loses Poland Plant to Daihatsu

By David Brown
Special to the Herald Tribune

TURIN — Giovanni Agnelli, chairman of Fiat SpA, said Tuesday that his company apparently lost a contract to the Japanese automaker Daihatsu Motor Co. to build a modern car plant in Poland.

RAILS: Merger Blocked

(Continued from first finance page)

chief executive officer of Santa Fe Southern Pacific, said the units for sale were: Robert E. McKee, a general contractor; Bankers Leasing Corp., which specializes in equipment leases; Santa Fe Pacific Timber Co.; Gulf Central Pipeline Co., which transports anhydrous ammonia; Chaparral Pipeline, which transports natural gas liquids; and Black Mesa Pipeline, which delivers coal slurry to a power plant.

Mr. Reed declined to estimate the sale price for the companies. He said the company would retain its core businesses, which he identified as natural resources, including petroleum and hard minerals, real estate, and transportation, including the refined products pipeline system and railroads.

The decision not to reopen the case came despite a recommendation from the ICC staff that the commission take another look at the merger because the new proposal included various agreements with other railroads aimed at easing concerns about competition.

But four of the commissioners said that Santa Fe Southern Pacific had made no dramatic changes in its proposal and that the same competitive problems cited a year ago remain.

Wall Street reacted favorably to news that Santa Fe Southern Pacific would sell several subsidiaries. The company's stock rose \$3.75 to close at \$50 on the New York Stock Exchange. (AP, UPI, Reuters)

Commerzbank Will Back VW

FRANKFURT — Commerzbank AG will support the present management of Volkswagen AG, under fire from shareholders over massive currency losses last year, at Thursday's annual meeting, a bank spokesman said Tuesday.

But Commerzbank, West Germany's third-largest private bank, will not exonerate the automaker's former finance director, Rolf Selowsky, said by a special auditor's report to have neglected his duties, the spokesman said.

The auditor's report put responsibility on Selowsky, he said. Mr. Selowsky resigned in March at the request of the supervisory board. A currency fraud last year is expected to cost the automaker up to \$60 million Deutsche marks (currently \$262 million).

Rover Extends Offer To Merge With Robins

The Associated Press

RICHMOND, Virginia — The Rover Group Inc. has given A.H. Robins Co. until late Thursday to consider Rover's proposal to merge the two companies, by extending the offer when Monday evening's deadline approached.

Meanwhile, A.H. Robins said Tuesday that earnings in the five months ended May 31 rose to \$24.9 million from \$31.4 million a year earlier.

Weekly net asset value on 26-4-1987 U.S. \$4.76
Listed on the Amsterdam Stock Exchange

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The new plant, valued at about 100 billion yen (\$683 million) is a key element in Fiat's two-part campaign to modernize and expand its car industry. A quarter of its 120,000 unit annual capacity is intended for sale in Western Europe.

A second contract worth about \$400 million to upgrade existing capacity for building an equal number of smaller, less sophisticated cars will probably go to Fiat, Mr. Agnelli said.

Poland's state-owned FSO automaker has produced a version of the Italian company's 126 model since the 1960s.

The announcement is seen as a serious blow to Fiat, which has long played a major role in Poland's car industry. Fiat had expected to be in line for the contract to build the new plant before the entry of Japanese competition.

Mr. Agnelli said the Japanese had offered superior technology and better financial terms.

Separately, the Fiat chief announced a 29-percent jump in operating profit during the four months through April to 1,067 trillion lire (\$804 million) in the midst of surging demand for cars in Italy and other European markets.

Mr. Agnelli forecast Fiat's 1987 results would be "as good if not

better" in absolute terms as the 2.45 trillion lire reached last year, with sales reaching over 30 trillion lire. Profitability as a percentage of turnover may drop, however, as Fiat struggles to digest its new acquisitions.

The inclusion of the troubled Alfa Romeo Group on company books will boost consolidated net indebtedness to more than 1.9 trillion lire from last year's 706 billion lire, officials estimated.

The addition of Alfa Romeo, acquired last year, explained the sharp 35 percent jump in group sales to 12.64 trillion lire through April.

Fiat/Lancia unit sales in the first five months through May rose to 845,000 from 750,000. Adding a total of 85,000 Alfa Romeos, which was 5,000 units below last year's level, Fiat sold a total of 930,000 cars during the period.

Defending its position as European market leader, Fiat emerged with a combined 15.2 percent slice of total sales. But, officials said, market share may slip by the year's end.

Addressing the issue of Italian protectionism, Mr. Agnelli said the current bilateral agreement limiting Japanese car imports to Italy to several thousand cars would not be lifted before 1992.

North Sea Find By Chevron May Show New Field

Reuters

LONDON — A North Sea oil find announced by Chevron Exploration North Sea Ltd. may indicate a new field, Alba, with recoverable crude reserves of around 300 million barrels, industry analysts said Tuesday.

Chevron Exploration, a Chevron Corp. subsidiary, said Monday that an appraisal well tested 9,000 barrels a day.

Paul Spedding of stockbroker Kleinwort Greaves & Co. said that industry estimates put the total reserves at the field at over one billion barrels, but given the low gravity of oil, the recovery rate would be much smaller.

Chevron officials declined to comment on reserves without further research and drilling. Chevron is operating the license on behalf of 16 companies, including BP Petroleum Development Ltd.; DSM Hydrocarbons (U.K.) Ltd.; Enterprise Oil (TNS) Ltd.; Marathon Int. Pet. (GB) Ltd.; Phillips Petroleum Co. U.K.; a subsidiary of Phillips Petroleum Co., U.S.A.; and Santa Fe Minerals (U.K.) Ltd.

Mitsubishi Names U.S. Chief, Next Stop Could be Tokyo

By Arthur Higbee
International Herald Tribune

Minoru Makihara, a U.S.-educated executive, has been named president and chief executive of Mitsubishi International Corp., the American subsidiary of the big Japanese trading company.

The appointment puts Mr. Makihara, 57, in good position to become president of the parent company in Tokyo. Two recent presidents of the American unit have moved on to the No. 1 post after serving a term of three or four years in New York.

But it does not always work that way. The incumbent in New York, Noboru Takahashi, 64, was posted there for a year, a shorter time than usual, and is returning to Tokyo to be what the Japanese call standing auditor for the parent company, a job that entails reviewing financial reports.

Mr. Makihara told The New York Times that he hoped to bring more Americans into the company. In addition, he said he plans to increase the company's involvement in trade between the United States and other countries besides Japan.

Mr. Makihara's father was a Mitsubishi executive and was working in the London offices when his son was born. Mr. Makihara was in London until he was 7 and went back to Japan before World War II broke out.

After the war he enrolled in St. Paul's School in Concord, New Hampshire, and went on to Harvard, where he graduated Phi Beta Kappa.

Weirton Steel Corp. of Weirton, West Virginia, has named Herbert Elish, a director, as its chairman, president and chief executive officer.

Mr. Elish, 53, succeeds Robert Loughhead, 57, who earlier this year had announced plans to retire. Weirton is 100 percent owned by its 8,500 employees.

Chairman Quits At Bank Leu

The Associated Press

ZURICH — Bank Leu, which has been linked to the scandal surrounding British brewing giant Guinness PLC, said Tuesday that Arthur Fuerrer is resigning as chairman.

Mr. Fuerrer will leave voluntarily next March because of "personal conclusions" from the Guinness case, although "he wasn't at fault," the bank said.

Bank Leu bought £115 million (\$184 million) in Guinness shares during the brewer's 1986 bid for Distillers Co. Britain is investigating such attempts by Guinness to boost its share price, and the Swiss are also questioning Bank Leu.

Alza Corp. of Palo Alto, California, which makes delivery systems for the timed release of medication, said its chief executive, Alejandro Zaffaroni, 64, a biochemist, would step down as chief executive but remain as co-chairman. Martin S. Gerstel, 45, who has been president and chief operating officer will become co-chairman and chief executive, and Jane E. Shaw, 48, will move up to take Mr. Gerstel's posts.

Borg-Warner Corp., the diversified Chicago manufacturer that was recently sold to Merrill Lynch Capital Partners for \$4 billion, said its chief executive, Clarence E. Johnson, 60, had resigned after 34 years with the company. No reason was given. The chairman, James F. Bere, 64, has taken on the additional title of chief executive.

Newmont Mining Corp. of New York has elected its treasurer since 1979, Christopher S. Hardisty, 42, to a corporate vice presidency.

SEC Intervention Is Seen as Boost to Texaco

By Nathaniel C. Nash
New York Times Service

WASHINGTON — The U.S. Securities and Exchange Commission, which announced it is ready to intervene in Texaco Inc.'s bitter battle with Pennzoil Co., may have brought the protracted case to a new turning point.

The action, which would be the federal government's first in the case that began three and a half years ago, was suggested when the SEC confirmed Monday that it would file a brief with the Texas Supreme Court asking it to review a \$10 billion judgment against Texaco.

Although the commission would not disclose what position it would take, legal sources said the SEC would strongly support a key Texaco defense: that Pennzoil broke federal securities laws when it sought to take over Getty Oil Co. in late 1983, by negotiating both privately and publicly to buy up stock.

The markets reacted strongly on Monday to the SEC letter. Pennzoil stock tumbled \$4 a share, to \$78.575, and Texaco shares rose \$1.50, to \$39.575, on the New York Stock Exchange. On Tuesday Tex-

aco again moved higher. At midday it quoted at 40 1/4.

Texaco has maintained, and the commission plans to argue, that Pennzoil's private agreement with several Getty interests was illegal because Pennzoil had already made a formal tender offer to Getty stockholders.

Texaco and Pennzoil were vying for control of Getty, a contest Texaco eventually won by making a higher offer. Pennzoil has contended, so far successfully, that it had a binding stock-purchase agreement with several Getty interests, and that Texaco's winning bid was an illegal interference with a contract.

Pennzoil won a record judgment in a Texas state court that led Texaco, the third-largest U.S. oil company, to file for protection from creditors under the U.S. Bankruptcy Code on April 12.

Some lawyers and analysts following the case said that, if the Texas Supreme Court were to accept the commission's reasoning, Texaco could owe Pennzoil nothing. At the least, they say, the SEC intervention greatly raises the chances that the case—which Texaco is now trying to bring before the Texas Supreme Court—will be heard by the U.S. Supreme Court.

Other analysts predicted that the commission's intervention would

make Texaco more intransigent in any settlement negotiations.

Texaco on Monday released a copy of a letter from the SEC's general counsel, Daniel L. Goelzer, to Pennzoil's and Texaco's attorneys. Mr. Goelzer said that the commission would file a brief of *amicus curiae*—or friend of the court—that would urge the Texas Supreme Court to accept the case for review.

Officials at Pennzoil acknowledged receipt of the letter but added: "We do not know whether the brief will adopt the position of one of the litigants or simply be an inquiry and request for clarification of the reasoning of the two previous decisions in the matter."

But private securities experts disagreed. "The fact is that the SEC files a brief when they think the court made a mistake," said Arthur F. Matthews, an attorney for a Washington firm of Wilmer, Cutler & Pickering.

The federal securities law of particular concern to the commission—Rule 10b-13—prohibits a company or investor that has made a public tender offer for the stock of a company to then enter any private deal for the purchase of the same company's stock with another group of shareholders—a tactic that is called going outside the tender offer.

Under federal securities laws, such an agreement, or contract, made during a pending tender offer is null and void.

From the beginning of its defense, Texaco has argued the applicability of Rule 10b-13. It argued that on Dec. 28, 1983, Pennzoil made a tender offer for 20 percent of Getty stock for \$100 a share. Then on Jan. 4, 1984, Pennzoil announced a separate agreement in principle to buy 43 percent of Getty's stock, including the 12 percent of Getty held by the J. Paul Getty Museum, at \$112.50 a share.

Two days later, Texaco began its \$125-a-share tender offer, which eventually succeeded. In reaction, Pennzoil sued Getty for breach of contract and Texaco for interference with a contract.

COMPANY NOTES

American Express Bank has filed a \$5 million franc (\$54 million) suit against Jacques and Pierre Chaudet, controlling partners of Chaudet jewelers, saying it had granted credits to the company on the basis of false statements. Earlier this month, the brothers were charged with breach of trust. The company has filed for bankruptcy.

American Telephone & Telegraph Co.'s chief financial officer, Robert M. Kayner, said second-quarter earnings were likely to show an improvement. Speaking to securities analysts in Philadelphia, he said first-quarter earnings of \$445 million had reflected more quickly than expected the benefits of cost cuts begun last year.

Digital Equipment Corp. said it and DSI Computer Services Inc. agreed to settle pending litigation in which Digital sued DSI for copyright infringement of Digital's VAX system diagnostic software.

DI Giorgio Corp. said it received a \$258 million takeover bid from a group headed by the New York investor Meyer Gabeli. The offer, valued at \$28 a share, includes cash and a package of subordinated notes, preferred stock and new common stock. DI Giorgio manufactures and distributes food products and building materials.

International Business Machines

Corp. announced a "Personal Typing System," priced at \$2,895 to \$3,730, with a detached display monitor and printer. It uses the same microprocessor as IBM's new Personal System/2 Model 30 personal computer.

Jaguar PLC, the luxury automaker, will invest £1 billion (\$1.6 billion) in development over the next six years, the chairman, Sir John Egan, said.

Matsushita Electric Industrial Co. group net profit was 47.37 billion yen (\$325 million), down 28 percent, on sales of 1.842 trillion yen, down 6 percent, for the four months and 11 days ending March 31. The company gave no comparison figures for the irregular period, caused by a change in its fiscal year, which now ends March 31.

Meares & Phillips Ltd., a Sydney-based stock broker, has become a subsidiary of Barclays PLC's stockbroking unit, Barclays de Zoete Wedd Ltd. The brokerage is now called BZW Meares Ltd. BZW acquired 50 percent of Meares & Phillips a year ago and bought the remaining 50 percent last month.

Mitsubishi International Corp. of New York will set up a subsidiary, MIC Consulting Inc., to help Japanese companies buy, merge and set up operations in the United States. MIC Consulting, capitalized at \$2 million, will conduct feasibility

studies and give financial advice.

Schneider Rundfunkwerke AG, the West German maker of stereo equipment, said it hoped takeover talks with Dual GmbH, a record manufacturing unit of Thomson SA, would be concluded in July. Bernhard Schneider, a managing board member, said a Japanese company was also negotiating to take over Dual.

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Via The Associated Press

Stock	Div.	Yld.	P/E	Std. 10% High	Low	Close Quot.
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10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
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[illegible][illegible][illegible]

High	Low	Stock	Div.	Yld.	P/E	52 Wk. High	Low	Open	Close	Chg.
7 7/32	7 1/8	Amoco H				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
7 1/8	7 1/8	Amoco N				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco O				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco P				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco Q				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco R				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco S				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco T				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco U				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco V				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco W				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco X				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco Y				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco Z				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AA				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AB				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AC				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AD				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AE				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AF				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AG				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AH				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AI				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AJ				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AK				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AL				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AM				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AN				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AO				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AP				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AQ				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AR				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AS				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AT				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AU				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AV				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AW				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AX				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AY				80 1/2	79 1/2	79 1/2	79 1/2	+ 1/8
11 1/4	11 1/4	Amoco AZ				80 1/2	79 1/2	79 1/2	79 1/2	+ 1

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MINT LIMITED
+186.7%
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 (End-May 83 - End-May 87)

*Lipper Analytical Services, USA

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[illegible]

Team/Match	Champion	Run	Wicket	Points
Abbey No 71 Gb	9.28	21.28	92.28	94.28
Abbey No 72 Gb	10.28	22.28	93.28	95.28
Abbey No 73 Gb	11.28	23.28	94.28	96.28
Alliance + Latic 1400	9.28	21.28	92.28	94.28
Alliance + Latic 1400	9.28	21.28	92.28	94.28
Alliance 70 Gb	9.28	21.28	92.28	94.28
Amelia 50 Gb	9.28	21.28	92.28	94.28
Aux Ring 77 Gb	9.28	21.28	92.28	94.28
Bk. Monmouth 74 Gb	9.28	21.28	92.28	94.28
Bk. New Scotland 80 Gb	9.28	21.28	92.28	94.28
Bk. Tisbury 80/80 Gb	9.28	21.28	92.28	94.28
Bk. Loughmore 71 Gb	9.28	21.28	92.28	94.28
Brylmore 94 Gb	9.28	21.28	92.28	94.28
Brind + Bins Ad 70 Gb	9.28	21.28	92.28	94.28

هكذا من الأحرار

Dollar Ends Lower in Quiet Trading

Compiled by Our Staff From Dispatches

NEW YORK — The dollar ended lower against most currencies in quiet trading Tuesday in New York and Europe, despite the release of positive U.S. economic data. The British pound was higher.

In New York, the dollar closed at 1.270 DM, slightly off from 1.280 at Monday's close; at 6.065 French francs, down from 6.1015, and at 1.5155 Swiss francs, from 1.5205. It was marginally higher at 146.90 yen, compared with 146.70.

The dollar also fell against the British pound, which closed at \$1.6135, compared with \$1.6005.

"It was a day of lackluster, directionless trading," said Carmine Rotondo of Security Pacific International in New York. "There were reports of Bundesbank interven-

London Dollar Rates

Currency	Unit	Rate
Dutch guilder	100	1.280
French franc	100	6.065
German mark	100	1.270
Italian lire	1,000	203.50
Japanese yen	100	146.90
Swiss franc	100	1.5155
British pound	100	161.35

Source: Reuters

tion, but they could not be substantiated."

Mr. Rotondo said a report showing that the main U.S. gauge of future economic activity, the index of leading economic indicators, rose 0.7 percent in May had little impact because "it was not out of the range that most people were expecting."

In European trading, the U.S. economic indicators gave some support to the dollar. But of inter-

vention by the U.S. Federal Reserve and the West German central bank to stem the dollar's rise sent the currency lower.

The dollar ended in London at 1.8250 Deutsche marks, down from 1.8290 DM at Monday's close, and at 146.85 yen, up marginally from 146.70. It lost ground against the pound, which closed at \$1.6130, more than a cent higher than its close of \$1.6005 on Monday.

Comments by U.S. officials cautioning against a tightening of monetary policy also pushed the dollar downward, dealers said.

In earlier European trading, the dollar was fixed in Frankfurt at 1.8294, up slightly from 1.8280 at Monday's fixing, and in Paris at 6.1055, also up from 6.0980.

(Reuters, UPI)

BELGRADE: Yugoslavians Seem to be in a Year Behind in Paying their Bills for Imports

(Continued from Page 1)

are a year behind in paying their bills for imports.

The problems could worsen Wednesday, when the country's new bankruptcy law goes into effect. More than 7,000 firms are officially reported to be heading for bankruptcy.

Of the \$20 billion in foreign debt, some \$8 billion is owed to banks and the rest to official creditors such as governments and multinational institutions, banking sources said.

Mr. Korte said officials of Manufacturers Hanover Trust Co., the coordinator for 600 Western banks to which Yugoslavia owes money, would come to Belgrade on Friday.

He said that Yugoslavia had repaid \$430 million of debt in the past 10 days, including \$199 million of interest due to commercial banks last Friday.

Yugoslavia last year ended a standby credit arrangement with the International Monetary Fund, under which the IMF supervised the economy. It was replaced by "enhanced monitoring," whereby IMF teams review the economy twice yearly.

World Bank Study Doubts Growth

WASHINGTON — The World Bank said Tuesday that the global economy faces stagnation or recession unless countries move to end growing trade protectionism, budget imbalances and other problems.

In its annual World Development Report, the international lending agency said that without major reforms, a worsening of the Latin American and sub-Saharan debt crisis was almost a certainty. The bank noted that in 1984, growth after inflation was 4.6 percent for industrial countries and 5.1 percent for developing countries. Last year the rates declined to 2.5 percent and 4.2 percent.

Inspectors who arrived last week were described by diplomats as far from pleased with the economy. Six months ago members of an IMF team predicted a balance of payments crisis this year.

Western diplomats said the latest payments trouble could put pressure on Yugoslavia to seek recourse again to the organization, which would in turn lead to IMF demands for new economic discipline.

In London, a Manufacturers Hanover spokesman said that Yugoslavia had teleaxed all creditor banks with its payment delay request last Friday.

A Western embassy economist in Belgrade said that, if there was a long-term problem on debt repayment, "it would be a pity because it would be the first time Yugoslavia has failed to make payments since the present debt crisis became apparent in 1983."

Yugoslavia won a breathing space with a rescheduling from Western government creditors belonging to the so-called "Paris Club" in March for \$475 million of debt due up to May 1988.

Supermarket and retailing conglomerate, and Saatchi & Saatchi. Yet while Mr. Sorrell has an almost unblemished record of success, the JWT acquisition will be far larger and more risky than anything he has tried before.

Mr. Sorrell's financial advisers and investors are eagerly backing him. Their support is crucial, because it was the large financial backing, offered quickly, that allowed WPP Group to make a cash bid that others could not match.

Roughly \$340 million of the \$566 million total will come from a new issue of about 24 million shares of stock, or twice the previous number of WPP shares outstanding. The deal was led by the merchant bank Samuel Montagu & Co., which managed the underwriting with Credit Suisse First Boston Ltd. The distribution began Monday, with dealers reporting strong demand from nearly 250 institutional investors internationally.

Samuel Montagu is one of

(Continued from Page 1)

nance minister in April, replacing Dilson Funaro, the architect of Brazil's antagonistic policies toward creditors. Mr. Funaro resigned after his economic policies came under fire.

Mr. Bresser Pereira defended the debt suspension on Tuesday. "There was no alternative to suspending debt payments in February, because our trade balance had collapsed," he said.

"But our exports are now on the rise," he added.

He reiterated five conditions that creditors would have to meet, including:

- Refinancing of interest payments on the debt through 1988.
- Reduction of banks' profit margin on the loans to "extremely low" levels.
- An increase in Brazil's reserves. He said \$7 billion would be acceptable. Earlier this month he said reserves were more than \$3 billion.
- That most of Brazil's 730 creditor banks should not participate directly in debt negotiations. He

said about 500 small banks should not take part.

• A strengthening of the financial position of official Brazilian agencies abroad.

Mr. Bresser Pereira is to visit Washington and New York next month to reopen negotiations with the International Monetary Fund and creditor banks on refinancing Brazil's \$111 billion foreign debt.

An IMF technical mission is now in Brasilia, examining the policies introduced by Mr. Bresser Pereira after Mr. Funaro's resignation.

The reopening of negotiations with the creditor banks will come after a major test for Mr. Bresser Pereira's policies.

A general strike has been called for July 15 by the leftist Workers Central Union.

When President José Sarney decreed the latest freeze on prices of basic consumer goods and public service rates for 90 days, he also abolished automatic readjustment of wages when prices rise 20 percent.

Union leaders say the wage policy has reduced purchasing power of workers by 30 percent.

Tax Treaty Move Sullies U.S. Corporate Eurobonds

By Carl Gewirtz

International Herald Tribune

PARIS — U.S. corporate debt issued in the Eurobond market, long out of favor with investors, fell further into disrepute on Tuesday after the U.S. Treasury's renunciation of its tax treaties with the Netherlands Antilles and Aruba.

The Treasury's action on Monday, affecting an estimated \$30 billion of Eurobonds issued via those tax havens before 1984, effectively was a 50 percent withholding tax on those bonds to be paid by the U.S. parent company. Holders of the debt face potential substantial losses, and prices of the bonds tumbled sharply on Tuesday.

The tax liability opens the way for the issuers to call, or prematurely redeem, those bonds at par — 100 percent of face value.

This represents a bonanza for the issuers since the coupons on that debt are significantly higher than would be needed to be paid in today's market. Normally, the issuers would have been unable to call these issues or, where possible, obliged to have paid a penalty premium prior to do so.

There are no available estimates on how much of a savings the move would represent for the U.S. com-

panies with such debt outstanding. Investors on the other hand, face severe losses. Bankers and portfolio managers said Tuesday that they were furious at the prospect of losing investments bearing high coupons and outraged at finding themselves disadvantaged by a U.S. dispute with the Netherlands Antilles.

Because the issues outstanding carried what are now above market coupons, the paper was trading at premium prices well over par. "It's going to cost me \$300,000 on just two issues," said one portfolio manager who insisted on not being identified. In addition, this banker was using fixed-rate borrowed funds to finance the bond holdings and now faces the prospect of being unable to reinvest the funds at a profit over what he pays to service the loan — entailing yet a further loss.

U.S. corporate Eurobonds have been out of favor for more than a year, since companies began to sacrifice their balance sheets to stave off takeovers and the dollar began to tumble in value.

The Treasury's action is "just one more shot in the foot by the Americans convincing us to stay away," a non-U.S. banker said.

Even U.S. bankers talked about the "building cynicism of international investors" regarding the dollar, the U.S. government and corporate America — where overnight a company can tumble from triple-A, the highest credit rating, to triple-B, the lowest still regarded as investment grade.

The ability to call the pre-1984 issues will also affect the swap market, where, for example, Deutsche mark debt is transformed into dollars or fixed-rate finance becomes floating rate. (After 1984, U.S. companies were able to issue directly securities abroad free of U.S. withholding tax on interest income.)

One banker described a swap involving a zero-coupon bond issued by a U.S. company. The swap was based on the zero being redeemed at par at maturity. Instead, the zero will be redeemed at a fraction of its face value after a schedule established at the time of its sale, leaving the holder facing a 60 percent loss.

As it was, zeroes suffered the biggest losses in Tuesday's trading, but all U.S. corporate issues tumbled in price. Before the news, the zeroes were trading at substantial premiums of more than 20 percent relative to the call prices.

The still unanswered question is whether U.S. companies, faced with the legal option of calling their Eurobonds, will choose to do so. In some cases, the companies will have no choice.

In others, depending both on the language in the loan agreements and on the structure of the company, the issuer may have an option.

The tax that now comes into effect is paid by the U.S. parent company on a loan received from its Netherlands Antilles subsidiary. If that subsidiary transfers that loan to another subsidiary outside the United States, there would be no tax liability as far as the U.S. authorities are concerned.

Thus, some companies will have to make a choice over whether to terminate the bond issue and pocket the bonanza or to redirect the loan in an effort to keep international investors happy.

Bankers and lawyers are convinced that one certain result from the turmoil will be a greater desire by potential investors to read the small print of new-issue prospectuses — which is rarely ever done — studying the conditions under which transactions can be terminated.

WPP: Ad Chief Sorrell's Quiet Image Belies His Grand Takeover Ambitions

(Continued from first finance page)

zines and on television. Until JWT, Mr. Sorrell focused on the fast-growing nonadvertising areas of marketing services.

Now, he says, WPP must get into advertising. "Whether you like it or not, a major company in the field has to include advertising, too," Mr. Sorrell said. "We have two responsibilities — to our clients and to our institutional investors. And in order to be credible, our long-term strategy must include all aspects of marketing services to keep both happy."

So far, Mr. Sorrell's track record has been hard to fault. The only son of a north London retailer, he went to Cambridge and then, on the advice of a family friend, attended the Harvard Business School. Afterward he worked successfully for Mark McCormack, the U.S. founder of a sports promotion empire; James Gulliver, the acquisition-minded chairman of the fast-growing Argyle Group, a

supermarket and retailing conglomerate; and Saatchi & Saatchi.

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Samuel Montagu is one of

WPP's most committed supporters, not only leading the equity underwriting but also backing a loan facility from Citibank for the remaining financing. "We only put up our money because of our faith in Martin Sorrell," said Rupert Faure-Walker, a director of Samuel Montagu.

Mr. Sorrell played a central role in Saatchi & Saatchi's rise from relative obscurity to become one of the largest advertising empires in the world, by engineering the acquisition strategy and applying necessary financial controls.

At WPP Group, his performance has been even more impressive. He and a stockbroker partner, Preston Rabb, took a tiny Kent manufacturer that made supermarket carts, wire baskets and teapots — Wire & Plastic Products PLC — and used it in creating a marketing services enterprise with 15 acquisitions in 18 months.

Before JWT, Mr. Sorrell concentrated on small, private nonadvertising firms. They were typically

owned by a few entrepreneurs in their 30s and 40s who were looking to expand but lacked the financial expertise, marketing muscle and international contacts that Mr. Sorrell and WPP could offer.

But all those deals were small and friendly. Accordingly, Mr. Sorrell had the luxury of structuring those acquisitions — as he did also at Saatchi & Saatchi — as "earn-out" deals. An earn-out acquisition is a purchase with a down payment, with the balance of the payment linked to profit performance over three to four years. The vital objective is to retain and motivate key people.

However, at JWT the top management holds less than 2 percent of the company's stock, a percentage that Mr. Sorrell wants to increase sharply, probably with stock options. But this small holding rules out the use of the earn-out formula for maintaining stability in the crucial post-acquisition period.

Tuesday's OTC Prices									
NASDAQ prices as of 4 p.m. New York time.									
Via The Associated Press									
12 Month Stock Div. Yld. Sales in High Low 4 P.M. Chg.									
A									
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SPORTS

Connors Rallies Into Quarters;
Other Seeds Struggle but Win

The Associated Press
WIMBLEDON, England — Jimmy Connors continued his Wimbledon comeback Tuesday, rallying from the brink of elimination to defeat Sweden's Mikael Pernfors, 1-6, 1-5, 7-5, 6-4, 6-2, and advance to the quarterfinals.

The victory by the seventh-seeded left-hander, who came back

from two sets down and 1-4 in the third, capped a day in which other seeded players struggled.

Three-time women's champion Chris Evert and 17-year-old Gabriela Sabatini of Argentina overcame second-set letdowns to advance. The men's No. 3 seed, Mats Wilander of Sweden, and the women's No. 5, Pam Shriver, rallied after dropping first sets.

The top-ranked men's player in the world, Ivan Lendl, and the defending women's champion, Martina Navratilova, had clear sailing.

Both crushed unseeded opponents in straight sets. Lendl over American John Kriek and Navratilova over Gigi Fernandez of Puerto Rico.

Winning with ease were Steffi Graf and Claudia Kohde-Kilsch of West Germany, Stefan Edberg and Anders Jarryd of Sweden, Pat Cash and Dianne Balestracci of Australia, Henri Leconte of France and Helena Sukova of Czechoslovakia.

Meanwhile, the tournament's giant-killer was eliminated, Peter Dombosi of Australia, who knocked out defending champion Boris Becker in the second round, lost in straight sets to Slobodan Zivjovic of Yugoslavia.

But Connors, who won the first of his Wimbledon titles in 1974 when Pernfors was 10 years old and who at 34 calls himself the tournament's "old dog," supplied the real excitement as he stayed on the road back from a first-round loss here a year ago.

After Pernfors moved aggressively to the verge of victory, Connors began changing the net and started breaking Pernfors' serves with precision strokes from the baseline and sharply angled volleys.

Pernfors was moving slower by the point, and Connors was increasingly in the right spot at the right time. In the fifth set, he broke twice for a 4-1 lead; Pernfors broke back for 4-2, but Connors broke a third time on a Pernfors error. On his final service game, Connors

built a 40-0 lead and, on the first match point, gained the quarterfinals here for the 11th time.

Pernfors' loss deprived Sweden of half the spots in the final eight.

The last time a country cornered that much of Wimbledon's quarterfinal field was 1984, when Connors was joined by John McEnroe, Paul Annacone and John Sadri.

Navratilova and Graf, seeded first and second, each moved toward a title showdown with a fourth consecutive straight-set victory.

Navratilova, bidding for a record sixth straight Wimbledon crown, beat Fernandez, 6-3, 6-1.

Graf, who defeated Navratilova for her first grand slam title at the French Open a month ago, downed Jana Novotna of Czechoslovakia, 6-4, 6-3.

Evert, the third seed, wasted three match points on her serve before reaching the quarterfinals

for the fourth straight year and the 15th time in 16 Wimbledon appearances with a 6-2, 2-6, 7-5 victory over Ros Fairbank of South Africa.

Sabatini, seeded sixth, became a quarterfinalist for the second year in a row, beating 16-year-old Natalia Zvereva of the Soviet Union, the defending junior champion, 6-0, 2-6, 6-4.

Wilander was sluggish in the opening set against Emilio Sanchez and had repeated problems with the 14th-seeded Spaniard before winning, 2-6, 7-6, 6-3, 7-5.

Shriver charged back from a 4-1 deficit in the third set to beat 16th-seeded Sylvia Hanika of West Germany, 6-7, 7-5, 10-8.

Lendl had his first straight-set match of the tournament, beating Kriek, 6-3, 7-6, 6-2, in their first match since Lendl destroyed the American in the semifinals of the French Open a year ago.



Gabriela Sabatini, a quarterfinalist for the second year in a row.

Paradise Found: 2 Englishmen in Monaco

International Herald Tribune

LONDON — The Hasteys and the Hoddles moved to paradise last week.

Monaco, having courted and won English soccer international Mark Hasteley and Glenn Hoddle with a tax-free £1 million (\$1.6 million) package over three years, settled in the families and got the lads down to work.

After ushering the departing Dances Sorensen Lerby and Soren Buek out of Monte Carlo, the Englishmen were given keys to deluxe rent-free apartments overlooking the harbor, blank checks to furnish them, a choice of French and American schools for the children and Boris Becker for a neighbor.

It's a hard life for the famous. The "H Bombs," as Monaco has affectionately (I think) dubbed Hasteley and Hoddle, were whisked to work almost before they could raise a crystal glass to Prince Rainier.

And whisked in style — chauffeured to the heliport, flown by private jet to a five-star Swiss Alpine retreat to rub shoulders with new teammates during 10 days of altitude training.

Hoddle was wide-eyed. "All this millionaire luxury is a huge change from catching the Tottenham team bus to training," he murmured.

Hasteley, more accustomed to high-flying after three years in Milan, commented sagely: "Although we are still treated like kings, the holiday is over. It's hard work from here on in."

Phew! But hold on a minute. Coming up to 30, Hoddle is no spring chicken, and to tell the truth he chose France expecting a more sedentary style from the hustle and bustle of England.

Hoddle praised Hasteley ("we have the perfect partnership in a perfect place"), and Hasteley noted what a bonus it is for any striker to have Hoddle behind him. And Arsene Wenger, the new coach at Monaco, said in his inaugural H-Bomb press conference: "After watching them for just one day, I can tell you what a great combination they will form. They are sharp, strong and skilful. We're onto a winner."

Oh, happy days. Hasteley already knows he was right to opt for Monaco out of the dozen or so clubs that he says wanted him. A.C. Milan let him go, concluding that he lacks the subtleties of a true European center-forward.

Hoddle, with all the subtlety in the world, will be hailed as the English Platini. For skill and perceptiveness, the comparison holds. In full bloom, Hoddle is as much an embellishment as the recently retired French captain.

True, he also has physical limitations. And

like Platini, his flair cannot always be turned on order. But those are criticisms set by standards of genius. We take for granted that one stroke from Hoddle can create a memory before all the toil of mere mortal pros.

Such gifts do not necessarily translate into

ROB HUGHES

astuteness. Hoddle joins Monaco oblivious to warnings from Lerby (who moves on to PSV Eindhoven for \$500,000).

"There's not enough discipline [in Monaco], only the good life," observes Lerby. "You can have a great time with nice people who have loads of money, but it's no place for a player who wants to stay on top."

Hoddle, a born-again Christian, says his conscience is clear. "I never said I was going to sign [with PSG]," he insists. "I was just listening to everyone's proposals. Paris was too slow. We were negotiating with them for two months without an agreement. Monaco took two minutes."

Back in Paris, Borelli fumes. "Nearly all contract details had been agreed," he said. "Something went on behind my back."

Before the bitterness subsides, Paris St-Germain might reflect that it is part of a sport which, through greed and self-interest, deals through agents whose priority is commission. Playing paymaster off against paymaster is their trade.

If PSG so detests double-dealing, it might stir some action through Jacques Georges who, as president of UEFA, believes he has some influence in international soccer.

Agents, once outlawed, are now licensed to abide by a supposed code of conduct. Still, Roach knows the market. His clients include Hoddle and Hasteley; he bites his lip and counsels his cut.

The French season begins in three weeks. And down in Monte Carlo there is a stadium, the Louis II, boasting everything but spectators. Despite escalators from the ground floor to the raised pitch, a meager average of 4,428 turned up this season, leaving 21,000 seats unsold.

"We aim to pack it to capacity," says Hoddle. "Prince Rainier is our biggest fan. We will give him a right royal show. We really want to put Monaco on the map."

Well, have a 90, old son. But you might find that a few thousand gamblers, a certain Hollywood actor, racing drivers by the score and a long dynasty of princely proportions have been working on that very thing for some time.

Monaco's Glenn Hoddle

From the Tottenham team bus to a private jet.

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'87 Tour de France Wide Open

By Samuel Abt
International Herald Tribune

BERLIN — Stephen Roche, Laurent Fignon, and Sean Kelly, three of the favorites in the Tour de France bicycle race, agree that at Wednesday's start in West Berlin there really will be no favorite.

"By far, this tour is one of the most wide-open in history," Fignon feels. "The race is going to be very open, with seven or eight favorites," Kelly agrees. "At least 15 riders have to be thinking they can win it," Roche judges.

They all pointed to the absences of Greg LeMond, last year's winner, and Bernard Hinault, second last year after five victories in the tour. LeMond is out because of gunshot wounds sustained in a hunting accident; Hinault has retired.

So there is no boss in this year's pack, no Hinault to control the race by setting its pace. "Before, you just had to keep your eye on Hinault and LeMond," Roche said. "Now we're going to have to watch everybody."

In the 74th Tour de France, he expects an exhausting time in the 23 nine-man teams in their 4,100-kilometer (2,500-mile) journey, which will end in Paris July 26.

"It used to be, with Hinault riding, that the rest of us were going for second place," explained Roche, an Irish rider for the Carrera team of Italy. "With Hinault

retired everybody else has a chance, and since everybody else is about at the same level there is going to be a lot of action."

One of those most expected to provide the action is the 27-year-old Roche, who won the Giro tour of Italy this month. But, as he indicates, Roche will be only first among equals.

His personal short list comprised Kelly, another Irishman; Fignon, a Frenchman; Luis Herrera, a Colombian; and Robert Millar, a Scot. "Plus," Roche added, "myself."

A strong case can be made for — or against — any on his list:

• Kelly, 31, who rides for the Kas team based in Spain, comes into the tour rested for the first time in memory because an infection put him out of action for three weeks in May. But, limited by his climbing ability in the highest mountains, he has never been a serious contender for victory in his previous eight tours.

• Fignon, 26, who rides for the Système U team based in France, won the Tour de France in 1983 and 1984. An operation for tendinitis in his left leg kept him out of the 1985 race, and he has not regained his overpowering form.

• Herrera, 26, who rides for the Café de Colombia team, won the Vuelta tour of Spain in May and is ranked as the sport's best

climber. As always, his stamina and his teammates are suspect if the race maintains a fast pace from the start.

• Millar, 28, who rides for the Panasonic team based in the Netherlands, is a solid climber with a much stronger team than Herrera's. He's a weak time-trialist, however, and has never won a major stage race, so might be expected to show the mental strain of being a leader.

In addition, there is scattered support for such riders as Andy Hampsten, 25, an American with 7-Eleven; Claude Criquielon, 30, a Belgian with Hitachi; Charly Mottet, 24, a Frenchman with Système U; Jean-François Bernard, 25, a Frenchman with Toshiba; Erich Maechler, 27, a Swiss with Carrera; and Pedro Delgado, 27, a Spaniard with PDM.

Hinault goes even further. "I wonder if we're not going to see a victory by an unknown, or at least a real outsider," he said.

"Anything is possible this year, not only because so many riders have a chance but also because there are so many places to make a decisive move, even before the high mountains."

Now a technical consultant to the tour, Hinault knows the course ahead thoroughly. If he were still racing, he implied, he would not be low on the Pyrenees on July 13.

Like many others, Hinault favors above all the chances of Kelly and Roche, who rank first and second in the computerized standings of the top 500 professional racers.

Kelly did well in the spring although he did not make his usual sweep of the classics, or one-day races. Until a groin infection forced him out of the Vuelta three days before the end of the three-week race, he had it won easily.

The weather will play a big role for Roche and Kelly, both of whom dislike intense heat, especially in the mountains. After a month of cold, rainy weather across Europe, the sun has emerged and temperatures have soared.

This suits Fignon, who wits in the cold and rain. He received a hard knock last weekend when he learned that he had been disqualified in the Grand Prix of Wallonia because amphetamines were found in his urine.

Fignon's victory in that minor Belgian race late in May was a rare one for him since his operation two years ago. He gets another chance Wednesday to show that he belongs among the tour favorites, however numerous they are.



Laurent Fignon, left, chatting Tuesday with fellow French cyclist Marc Madiot near the Brandenburg Gate in Berlin.

SCOREBOARD

Baseball

Monday's Major League Line Scores

AMERICAN LEAGUE

Baltimore 801 100 000—3 10 0
Boston 100 000—11 11 1
Chicago 000 000—0 0 0
Cleveland 000 000—0 0 0
Detroit 000 000—0 0 0
Kansas City 000 000—0 0 0
Los Angeles 000 000—0 0 0
Milwaukee 000 000—0 0 0
Minnesota 000 000—0 0 0
New York 000 000—0 0 0
Philadelphia 000 000—0 0 0
Pittsburgh 000 000—0 0 0
St. Louis 000 000—0 0 0
Seattle 000 000—0 0 0
Texas 000 000—0 0 0
Toronto 000 000—0 0 0
Washington 000 000—0 0 0
White Sox 000 000—0 0 0
Yankees 000 000—0 0 0

NATIONAL LEAGUE

Atlanta 000 000—0 0 0
Beverly Hills 000 000—0 0 0
Brooklyn 000 000—0 0 0
Cincinnati 000 000—0 0 0
Cleveland 000 000—0 0 0
Colorado 000 000—0 0 0
Houston 000 000—0 0 0
Los Angeles 000 000—0 0 0
Montreal 000 000—0 0 0
New York 000 000—0 0 0
Philadelphia 000 000—0 0 0
Pittsburgh 000 000—0 0 0
San Diego 000 000—0 0 0
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Texas 000 000—0 0 0
Toronto 000 000—0 0 0
Washington 000 000—0 0 0
White Sox 000 000—0 0 0
Yankees 000 000—0 0 0

Tennis

Wimbledon Results

MEN

Fourth Round
Anders Jarryd (Sweden) def. Alexander Volkov (Soviet Union), 7-6 (7-5), 7-5, 6-7 (4-6), 6-4.
Pat Cash (11), Australia, def. Guy Forget (France), 6-3, 6-2, 6-4.
Stefan Edberg (6), Sweden, def. Jakob Hlasek (Switzerland), 6-3, 6-7 (2-7), 6-1, 6-4.
Henri Leconte (9), France, def. Andres Gomez (14), Ecuador, 7-5, 7-6 (7-5), 7-5, 7-6 (7-5).
Ivan Lendl (2), Czechoslovakia, def. Jiri Kriek (14), U.S., 6-3, 7-6 (7-5), 6-2.
Slobodan Zivjovic (Yugoslavia), def. Peter Dombosi (Australia), 6-2, 6-4, 7-6 (7-5), 6-2.
Mats Wilander (3), Sweden, def. Emilio Sanchez (14), Spain, 3-6, 7-6 (7-5), 6-3, 7-5.
Jimmy Connors (7), U.S., def. Mikael Pernfors (Sweden), 1-6, 7-5, 6-4, 6-2.

WOMEN

Fourth Round
Claudia Kohde-Kilsch (11), West Germany, def. Catarina Lindeqvist (11), Sweden, 6-4, 6-2.
Gabriela Sabatini (6), Argentina, def. Natalia Zvereva (Soviet Union), 6-3, 6-4.
Chris Evert (3), U.S., def. Rosalyn Fairbank (14), U.S., 6-3, 7-5, 6-2.
Claudia Ballestracci (14), U.S., def. Mary Ann Fernandez (7), U.S., 6-3, 7-5, 6-2.
Helena Sukova (4), Czechoslovakia, def. Raffaella Ragni (15), Italy, 6-3, 6-2.
Pam Shriver (5), U.S., def. Sylvia Hanika (14), West Germany, 6-7 (4-7), 7-5, 10-8.
Martina Navratilova (11), U.S., def. Gigi Fernandez (14), U.S., 6-3, 6-2, 6-1.
Shelley Graf (2), West Germany, def. Jana Novotna (Czechoslovakia), 6-4, 6-2.

Mets Blow 4-Run Lead, Fall 7½ Behind Cardinals

Compiled by Our Staff From Dispatches

NEW YORK — The New York Mets are doing the kinds of things that make for long seasons and short pennant races.

For the second straight game, the World Series champions blew a four-run lead and lost. On Monday night, they fell to St. Louis, 8-7, on Ozzie Smith's 11th-inning single.

The defeat dropped the Mets 7½ games behind the first-place Cardinals in the National League East — their biggest deficit of the season.

It was the 25th time the Cardinals have come from behind to win this season — and the sixth time in seven

games they have beaten New York.

"It's a bigger win for them than it is a crushing loss for us," said Met first baseman Keith Hernandez.

But teammate Howard Johnson disagreed. "We're very close to the danger zone," he said. "We have to take the next two games. If we split or get swept it will be a very difficult situation."

On Sunday, New York lost, 5-4, to Philadelphia after leading by 4-0 through seven no-hit innings from Ron Darling. It was the first time since Dave Johnson took over as manager in 1984 that the Mets blew a four-run lead and lost. Now it's happened twice.

In the New York 11th, Ken Dayley got the final out for his first win of the year, after Pat Perry had walked two batters. Dayley loaded the bases by hitting Keith Hernandez — who had hit a three-run home run off Danny Cox in the first — but Gary Carter ended the game by striking out on three pitches.

Phillies 6, Pirates 5; Phillies 11, Pirates 3. In Philadelphia, Steve Bedrosian set a major-league record with his 12th save in 12 straight appearances and rookie Keith Hughes broke a sixth-inning tie with his first major-league hit, starting the Phillies to a doubleheader sweep. Bedrosian, recording his 19th save of the season, pitched two innings to break the record set by Sparky Lyle of the 1973 New York Yankees. Mike Schmidt and Darren Daulton had two-run doubles in the first inning of the nightcap, and Philadelphia capped its rout with a six-run sixth highlighted by Von Hayes's three-run homer.

Braves 1, Giants 0. In San Francisco, Zane Smith, on a five-hitter, shut out the Giants at Candlestick Park for the second time this season. Gerald Perry's one-out seventh scored Dion James with the game's only run. Smith is 5-1 lifetime against San Francisco.

Cubs 9, Expos 5. In Montreal, Chicago broke a five-game losing streak with a 20-hit attack that included four each by Dave Martinez and Paul Nocco. Les Lancaster, in his second start, recorded his first major-league victory.

Padres 3, Dodgers 0. In Los Angeles, rookie Jimmy Jones held the Dodgers to two singles in relief of Storm Davis, who left with a rib-

BASEBALL ROUNDUP

Said Johnson, tersely: "Our bullpen keeps blowing leads."

Vince Coleman led off the 11th against reliever Jose Ocasio with a four-pitch walk and stole his 50th base of the season. After failing on a sacrifice attempt, Smith drove a single to right and Coleman easily beat Darrell Strawberry's throw home.

Down by 7-3 after five innings, the Cardinals had scored two runs in the seventh and one each in the eighth and ninth to tie the game.

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Padres 3, Dodgers 0. In Los Angeles, rookie Jimmy Jones held the Dodgers to two singles in relief of Storm Davis, who left with a rib-

cage problem after the first inning. Jones completed San Diego's fourth shutout of the season; the Padres have won 12 of their last 16 games.

Yankees 15, Blue Jays 14

Tom Mix and Fawn Hall

New York Times Service

But she was "living in Cairo with my imagination in Paris," and in 1948 she came here: "It

Eglat Fahri in her Paris jazz club.

Her two step-sons, living in Geneva, rented a bistro to be able to play their guitars without neighbor problems. They installed a small stage and hired local groups. Daniel, the eldest, was crazy about the pyramids.

the law required. They said it was merely ceremonial. She took care of press relations until the manager ran off with the till, unpaid bills were discovered, the club was on the brink of bankruptcy and she was legally responsible. She refinanced, started paying debts, became involved in programming. Two years ago, the high dollar made booking American stars very difficult; last year was the terrorist scare. But since then, while expanding the defini-

friends do not understand how I can relate to jazz musicians who are, on the surface, so different from me. But I've always been interested in culture, in creative people. Take McCoy Tyner—he is conscious of his value, he wants to be treated with respect, you can talk to him, he's interesting. Archie Shepp is an interesting person. These people are real musicians, wonderful artists. And they can become better if they are treated better."

Michael Jackson will start his first solo world tour this September, starting in Los Angeles. The 28-year-old singer will go on to Australia, the United States, Canada and Europe. Jackson's personal manager, Frank Dileo, told a news conference. Jackson, currently in Los Angeles, is mixing his newest album, which is to be released worldwide on Aug. 31. Jackson's latest single will be released on July 27. Tour organizers said Jackson would kick off his tour with three concerts each in Tokyo, Yokohama and Osaka before heading to the United States. It will be his first concert tour since the Jacksons performed a five-month "Victory tour" in the United States and Canada in 1984 which drew more than two million fans.

Patric Mac says that, on the Fourth of July he'll be adding to another pile of messages about peace and ecology to his collection of teleprinter transmissions. The artist said Monday that he'll send the 50-foot message, compiled from celebrities, to the first lady, Nancy Reagan. Mac, whose bright, ly colored paintings are a fixture at the U.S. State Dept., says he has the most popular of all MacFarland's. "I'm trying to raise consciousness. I'm trying to get a fun art project. I'm trying to get people thinking about peace and thinking about ecology." He has teleprinted his drawings to more than 1,500 politicians, musicians, and other celebrities, asked them to add their own thoughts or drawings, and then return them to his studio machine. He said he intends to publish a book with all the teleprinter sheets and produce a traveling exhibition.

The world champions Gary Kasparov and Maya Chiburdanidze, both of the Soviet Union, retained their top slots in men's and women's ratings published Monday by the International Chess Federation in Lucerne.

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